

End of great
dream
says Lord
Thomson

From Michael Leeson
New York, Feb 12
Lord Thomson of
Fonthill, 70, says the
dream of a new
deep recession has
ended. The final
stage of the
family's collapse

He is to be
seen in the
Telegraph
and a
renewal of
the family's
fortune.

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Lovely Emily, aged 70, hails from Crewe. Her main occupation is cruising along in a permanent state of ecstasy.

She's a good 3 inches tall and her favourite hobby is being seen around the very best places.

Emily's ambition is to meet all the top people, although according to her agent, Dorland Advertising, she has already done so!

Dorland wishes The Times a successful future with one of its own page 3 lovelies.

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Government may improve on 6% pay offer to public service workers to head off threat of disruption

By David Felton
Labour Reporter

The Government is believed to be moving towards improving its 6 per cent pay offer to nearly 900,000 public service workers in the face of industrial action threatened next month by white collar civil servants.

Ministers met yesterday to discuss the challenge being planned against the Government's pay policy for the public sector and it was reliably reported that they agreed that an offer of about 7 or 7 1/2 per cent could be made to union leaders.

Ministers are believed to be anxious that a new offer should not be tabled unless there were strong indications from the unions that the increase would be acceptable.

There has been some scepticism among Civil Service union officials that a small increase would be sufficient to cancel the planned campaign of industrial action, which is due to start with a national one-day strike next month, followed by a series of selective strikes designed to affect the Government's ability to collect revenues.

In addition to the 6 per cent being offered to the 530,000 white collar civil servants a similar increase has been put to 250,000 hospital ancillary workers and 30,000 ambulance men.

Further indications of the willingness of civil servants to embark on an unprecedented, concerted campaign of action came yesterday from the traditionally moderate Inland Revenue Staff Federation, whose members voted by eight to one in favour of strikes.

Meetings at 42 centres around the country recorded 24,993 votes in favour of action, with 3,152 against. The union's total membership is about 60,000 but it was emphasized by union officials that more than 8,000 members were unable to attend meetings because of the need to keep a skeleton service operating.

The votes among 1,000 staff at the tax computer centres at Cumbernauld, near Glasgow, and Shipley, near Bradford, which would play a crucial role in the campaign of guerrilla action, recorded a higher majority for action than the national vote.

Mr Anthony Christopher, the federation's general secretary, said last night: "This is a result which should concern the Government. We have not incited it. There is very deep concern among members over the Government's refusal to publish pay research for 1981 and its denial of free arbitration."

A reputation for moderation, voted by a large majority to support the campaign of industrial action if the Government did not improve the 6 per cent offer.

Mr William McCall, the institution's general secretary, told the meeting: "It is important that the Government, Parliament and the community should understand that the whole of the Civil Service is completely disgusted at the way this Government is scrapping agreement after agreement and the shabby and shoddy way it is reflecting on the importance of the work that it does."

Union negotiators yesterday also met officials of the Civil Service Department to press their claim for a reduction in the working week to bring civil servants into line with the private sector.

Mr Peter Jones, secretary of the Council of Civil Service Unions, said the meeting was "disgraceful" and that officials had not taken into account the unions' arguments and had refused to entertain the claim. Union officials are expecting to have a further meeting on pay with Lord Soames, Lord President of the Council and Minister responsible for the Civil Service, early next week when they hope the Government will increase the 6 per cent offer. The unions have said that without an improvement industrial action is inevitable.

Government 'winning cash cuts battle'

By John Young
Planning Reporter

The Government was winning the battle with local authorities over public expenditure cuts, Mr Michael Heseltine, Secretary of State for the Environment, said yesterday.

In an interview with *The Times* he expressed little sympathy with those councils which complained that they had faithfully followed Government guidelines and were being unfairly treated. "In most cases they just have not done their homework properly."

"You would be surprised how often they cannot provide even the most elementary facts and figures. What they imagine to be a proper cost analysis is usually no more than an attempt to defend their present levels of consumption."

Nobody deplored more than he the need for drastic cuts in capital investment. But they were quicker and easier to achieve than reductions in current spending.

"You will not find me defending capital cuts. But I would say that there was no choice. The faster we can get current spending down, the faster we will be able to restore our capital investment programme."

Housing bore the brunt of the budget, which made it vital to spend what resources were available on conserving and renovating the existing stock.

His principal motive for encouraging the sale of council houses was to reverse the polarization of society between home owners and council tenants. That was far more important than any savings that might accrue to taxpayers and ratepayers.

In recent years owners had seen an enormous rise in the equity value of their investments, while tenants had gained nothing at all. The effect had been to create "two nations", a situation he found indefensible.

Decision to drop sickness pay change confirmed

By Our Political Reporter

Confirmation that the Government planned to postpone its proposals to transfer sickness payments for the first eight weeks to employers was given by the Prime Minister in the Commons yesterday.

The scheme, which will still have the eight-week time scale, will be brought back in the next parliamentary session.

Mrs Margaret Thatcher had been asked by Mr David Alton, Liberal MP for Liverpool, Edge Hill, whether a report to that effect in *The Times* yesterday was true. If it was, it would be received with great joy by many people running small businesses, he said.

The Prime Minister, agreeing that the scheme would not appear in this session's Social Security Bill, said new proposals had arisen which would match more closely the money paid out and returned to employers.

Mrs Thatcher was referring to the fact that ministers have met with strong resistance from "Mammoth" employers of small businesses, over the proposals. The Government had offered 50 per cent reimbursement to businesses through a cut in employers' national insurance contributions and delayed payments, but that was not accepted.

Mr Michael Gyles, Conservative MP for Surrey, North-West and chairman of the Small Business Bureau, said last night: "The Government's decision is a victory for common sense. The proposals would have faced small businesses with serious cash flow problems."

Concerted opposition to Dublin summit aimed at hardline 'loyalists'

Spirit of Carson invoked in Paisley campaign

From David Nicholson-Lord
Belfast

The Rev Ian Paisley tonight embarked on a journey back in time to start at an Orange Order hall in Omagh, Co Tyrone, and end outside Stormont Castle next month.

Mr Paisley, in honour of Sir Edward (later Lord) Carson, perhaps the most venerated figure in unionism, calls it the Carson trail.

To those who view Ulster politics as a series of repeating patterns the past week, beginning with the midnight "show of strength" on an Antrim hillside, has provided ample confirmation. The sense of history feeding off itself has been increased by the continuing analysis on television of the roots of Ulster's troubles.

According to critics, that is what gave Mr Paisley and his Democratic Unionist Party the theme for their campaign of opposition to the Dublin summit.

in December and the joint studies between Britain and the Irish Republic set in motion by it. Mr Paisley, they say, has been watching too much television.

Mr Paisley replies that his 11 rallies planned for the next six weeks, at which "loyalists" will be asked to sign a covenant of opposition to the Dublin "conspiracy", are indeed designed to replicate those held by Carson in the autumn of 1912 as a prelude to the anti-home rule covenant. Carson, like Mr Paisley on Monday, signed his covenant at Belfast City Hall.

The Democratic Unionist Party's position is summed up by its advertisement in a Belfast newspaper yesterday portraying the Dublin summit as a scorpion, with a united Ireland "as the sting in its tail. Government assurances that there will be no sellout are treated with contempt. The response of most critics to Mr Paisley's headline-making

is that he has seized the pretext of an ambiguous Dublin communiqué as the launching pad for his local government election campaign. The elections are due in May.

Mr Paisley, the argument runs, wishes to dissociate himself from his involvement in last year's failed devolution talks. He also seeks to recover some of the ground he lost at the end of the year by incautious remarks about referendums and an independent Ulster, and to project himself once more in the words of the advertisement as "Ulster's elected leader".

This strategy of appealing to hardline loyalism has led to some of Mr Paisley's Official Unionist opponents who feel themselves outflanked echoing the words of the advertisement on the grounds that it is likely to heighten sectarian tension at a time when the H-bomb issue looms once again.

Mr Paisley also places him at risk by inviting too many historical comparisons. Car, though like Mr Paisley a ski publicist and mass orator, born in Dublin and was, and foremost an Irish Unionist politician.

"I base my whole act upon the love of my own Ireland", he declared at first of his covenant rally September, 1912.

On that occasion, in E. killed, not, as tonight, Omagh, Carson made a triumphant entry into the town in an open carriage, flanked by mounted escort of 240 far and accompanied by an armed 40,000 marchers.

Mr Paisley, whose arrival is likely to be a smaller-scale affair, said he hopes to see "hundreds of thousands of signatures. Perhaps wisely has set himself no target. Letters, pay

Linwood car workers vote for campaign to save plant

From Ronald Faux
Glasgow

Workers at the Talbot car plant at Linwood, near Glasgow, are to fight the decision by Peugeot SA, the French owners, to close down the operation next time, throwing 4,800 out of work.

A mass meeting yesterday voted overwhelmingly to start a public campaign to get the decision reversed. Shop stewards and normal working would continue for the time being, but industrial action was not ruled out.

Mr James Livingstone, convenor of shop stewards, said that only a few workers had voted against. The action would aim at protecting Linwood and the future of the car industry in Scotland, some other parts of which were in the same economic position as Linwood.

"We will continue our fight. It will be our intention to use the major unions if necessary, and industrial action as well at the end of the day. But at this stage we are not proposing industrial action, and we have asked our members to work normally to ensure the company cannot accuse the unions or the workforce of being disruptive."

A trade union group representing all workers and staff at

the plant is to meet representatives of Strathclyde Regional Council today, and on Sunday talks on tactics will take place with the Scottish TUC and shop and machinery in the plants in Coventry.

Workers at Linwood said yesterday that men in the engineering section of the plant had been found to be working on plans to transfer production of the Sunbeam car, the company's most popular British made model, to another plant. It was feared that the Peugeot-Citroën group was seeking to move equipment from the body shop and machinery in the gearbox section.

Shop stewards ordered the work to stop. Mr Livingstone said that industrial action would be used if there was any attempt to move machinery from Linwood to allow the company to build Avenger or Sunbeam cars elsewhere in the United Kingdom.

The plant will shortly move to five days a week operation after a long spell on short-time working. The shop stewards said that the work force had accepted that, although they suspected that the burst of production was merely to build up stocks before closure, after the company hoped to

switch production to plants in England.

That intention has been denied by the management. One faint hope came yesterday during a BBC Radio Scotland interview with a spokesman for the international division of Nissan in Japan, which plans to open a production plant for Datsun cars in Britain. He said that Linwood might be a candidate for a new location, on which a feasibility study had begun.

The new Japanese plant would be built in a development area that had a local work force available and access to component manufacturers. But the spokesman made clear that Nissan preferred an undeveloped site that would allow it to build an ideal layout.

Linwood has the labour force but little else to match the Japanese criteria. It was one of the principal failures of the Scottish development that very little ancillary industry grew up alongside the car plant.

Mr John Davidson, secretary of the Confederation of British Industry in Scotland said that had satellite factories been established, some 15,000 jobs might now be at risk. The effect of the closure would have been felt throughout the whole British economy.

Mr Benn must wait for portfolio in the Shadow Cabinet

By Fred Emery
Political Editor

Mr Wedgwood Benn is not for the moment being assigned a specific portfolio in the Labour Shadow Cabinet because Mr Michael Foot has filled all available posts, it was learnt last night. He will thus have to wait for a reshuffle or vacancy.

Mr Benn, who may by agreement with Mr Foot, Leader of the Opposition, make front-bench speeches, entered the Shadow Cabinet only because of the resignation of Mr William Rodgers. In the parliamentary party's election Mr Benn had been top of the list of those failing to secure election.

Before Mr Rodgers resigned, Mr Foot had been examining the possibility of giving him a special post as spokesman on regional industrial policy. That responsibility has meanwhile been given to Mr John Garrett.

That Mr Benn may challenge Mr Denis Healey in the election for deputy party leader to be held at the autumn conference is not at the moment regarded as likely by Mr Foot. Several key unions also oppose it.

Mr Benn has not made his position clear since he suggested according to members of the party's national executive, that they consider holding a special election conference before the autumn.

Given the unions' opposition, it is being assumed that Mr Benn would not stand and risk defeat in whatever electoral college formula then prevailed. However, such assumptions on left-wing tactics have in the past proved wrong.

Mr Foot today makes a considered defence of the Labour Party in response to Mrs Shirley Williams's resignation from the executive. He takes her resignation letter as in effect a departure from the party itself, and in a speech at Nelson, Lancashire, will make clear what he thinks of those who are harming the party in the manner of their leaving it.

City areas oppose loss of control over polytechnics

By Our Education
Correspondent

The Association of Metropolitan Authorities announced yesterday its total opposition to government proposals to remove higher education from local government control.

In a statement after yesterday's meeting of the association's policy committee Mr Jack Smart, chairman of the AMA, and Mrs Nicols Harrison, chairman of its education committee, said that such a move would be wrong financially and educationally.

to set up a national body to administer and fund polytechnics and other maintained colleges with a large proportion of advanced work have only been set out in a ministerial paper but a consultation document is expected to be published in the late spring.

Mr Smart and Mrs Harrison said that at a time when the Government was intent on shutting down quangos, it was proposing to establish another "massive and expensive" one. They were convinced there was "little if anything to be gained from the proposals

Seamen's agreement nearer

By Our Labour Staff Reporter

Seamen's leaders and shipping employers were moving towards agreement last night on the terms for arbitration to end the merchant navy dispute of the past five weeks.

The two sides met for more than 12 hours at the London offices of the Advisory, Conciliation and Arbitration Service (Acas) and late last night Mr James Slater, general secretary of the National Union of Seamen, said the signs were good that an agreement could be reached.

In return for a resumption of

normal working by the union's members the employers appeared close to agreeing to table a 12 per cent interim offer.

The arbitration panel, with an independent chairman appointed by Acas, will discuss the union's claim for all overtime to be paid at the rate of time and a half. It will compare British seamen's earnings with that of other seamen in Europe.

Mr Slater urged his members not to return to work until the terms of arbitration were settled.

Coercion in fraud inquiry is denied

By Our Social Services
Correspondent

Allegations that social security fraud investigators coerced unemployed men to use the benefit money to advertise their availability for work during interviews in locked rooms were strongly denied yesterday by Mr Hugh Rossi, Minister for Social Security.

In each of three cases taken up by Mr Frank Field, Labour MP for Birkenhead, instructions in the secret *Fraud Investigator's Guide* were respected, Mr Rossi said in a letter released last night.

Those instructions stated, inter alia: "Investigation must invariably be fair and unbiased and have regard to the legal constraints... firm measures against fraud must not result in the unacceptable treatment of perfectly honest people."

Mr Rossi disclosed that the men were called in for interview after his department received reports that necessitated questions being asked.

One, a motor mechanic, was said to have been seen repairing a car in a garage. Another had renewed his public service vehicle licence, stating that he had recent experience driving such vehicles. The third was reported to be leaving home early each day and returning after working hours.

"Quite clearly the department would have been failing in its duty if it did not check the reports received," Mr Rossi wrote.

"Nothing causes greater scandal or a feeling of unfairness among ordinary hard-working men and women to see their pay packet decimated by

taxes and contributions while neighbours are drawing social benefits and doing a job on the side, tax-free."

In one case there was no evidence of the man working while drawing benefit. In the other two the claimants had signed statements and said they intended to become self-employed. Advertising for trade was suggested to one man as a possible way of finding customers.

Mr Rossi said none of the three men was locked in during the interviews, but the doors were locked by a simple internal mortise knob so that conversation could proceed in privacy.

He had been assured emphatically that none of the officers adopted a bullying, hectoring attitude, or threatened to withdraw benefit.

Prison officer cleared of murder

By Our Correspondent
Birmingham

Melvyn Jackson, aged 32, senior prison hospital at Winson Green jail, Birmingham, was cleared at 11.30 am of murdering a man on remand at the prison.

Mr John Milward, stipendiary magistrate, said that there was no evidence to send him to Crown Court for trial.

Mr Douglas Draycott, the prosecution, alleged Jackson killed a man, 32, of Bigglesley, West Midlands, giving him a kick in the stomach. It was further alleged that after realizing what he had done Mr Jackson had an elaborate cover-up.

Army helicopter hit by gunfire

An Army helicopter was hit by gunfire on Wednesday was picking up a foot soldier in south Armagh, no border, it was disclosed yesterday.

Irish police later said a fire with about five mask men, who escaped north, had been shot at. A search of 1,000 rounds of ammunition, a plastic bag and 9 explosive.

Correction

Our report yesterday on student fees wrongly said that Oxford had decided to increase its fees above the recommended minima; but it was charging more.

Dog show judge cleared of corruption charges

From Our Correspondent
Manchester

A senior dog show judge who was said to have lived in torment for three years after being accused of corruption was cleared at Manchester Crown Court yesterday of charges of corruption in fixing shows.

Since being accused of taking bribes to fix shows, Frederick Dempster, aged 73, said he had lost two-and-a-half stones in weight and had a heart attack.

Mr Dempster, of Ashford Street, Stoke-on-Trent, Staffordshire, was alleged to have taken a £25 bribe in 1977 and to have agreed to accept a further £5 the next year. The

charges were made after a Sunday newspaper investigation into a claim by Mr David Stevens, a dog trainer, that corruption was rife at dog shows; he set out to expose it.

Mr Stevens, of Red Willows, Harlow, Essex, had alleged that he paid Mr Dempster £25 and offered the £5 to ensure that dogs did well at shows in Manchester and Leeds.

Mr Dempster, a judge at Cuff's on seven occasions, had always denied accepting bribes and had officiated at shows since he was charged. "People have confidence in me," he said. He will be judging in Valencia, Spain, next month.

Surgeons' evidence supports brain death code of practice

By Our Medical Correspondent

Four months after the BBC *Panorama* programme on brain death, feelings still run high among those doctors who believe the public was unjustifiably frightened by the programme's questioning of the reliability of criteria used by Britain to diagnose irreversible death of the brain in patients maintained on artificial ventilators.

Next Thursday the medical issues will be debated for 90 minutes on BBC 1. The medical experts will attempt to allay the fears and uncertainties induced by the *Panorama* programme.

A preliminary step in that campaign, detailed evidence is published in the *British Medical Journal* today in support of the code of practice for the diagnosis of brain death recom-

mended by the Conference of Royal Colleges and Faculties. The colleges' code relies on a series of clinical tests carried out by experienced doctors and specifically denies the need for any confirmatory instrumental tests such as an electroencephalogram. The journal's article, by Professor Bryan Jennett, of Glasgow University, cites three bodies of evidence as justification of those clinical criteria.

The evidence is mainly based on the medical convention that the diagnosis of brain death is not necessarily followed immediately by the switching off of the ventilator, which would indeed make the diagnosis a self-fulfilling prophecy, as has been alleged by the critics.

In practice some patients will be kept on the ventilator for hours and sometimes days be-

cause relatives are unwilling to give permission for it to be switched off; in other cases the relatives cannot be found to give that permission; and a few doctors prefer to continue ventilation until the heart stops.

Does the heart always stop in those circumstances? The evidence collected by the neurosurgeons shows that the answer is "Yes". First, a review of 447 cases of brain death in published research reports showed no exceptions; once diagnosed as brain-dead all the patients died.

The second body of evidence came from three British neurosurgeons at Glasgow, Swansea and Cambridge, who together had diagnosed brain death in 609 patients, most of whom had either head injuries or bleeding inside the brain from rupture of a blood vessel.

Of those 609 patients ventilation was continued after brain death had been diagnosed in 326 cases, until eventually their hearts stopped. Again, none had recovered. The diagnosis was proved correct in every case.

Finally, the surgeons made an analysis of 1,939 patients with severe head injuries who had been admitted to hospitals in Britain, the Netherlands and the United States. Data on those patients had been collected for computer analysis for another research project. All of them had been in comas for at least six hours.

The clinical details of 1,003 patients who survived were examined to find whether at any time they had fulfilled the criteria for brain death. Only 127 had completely lost movement in all four limbs at their worst state. Of those, 102 still

had active eye movements and other reflexes. The remaining 25 had been given drugs, as part of the procedure of ventilation, that were known to depress reflexes or cause muscle paralysis. Drug treatment is one of the specific exclusions in the British criteria.

The surgeons admit that perhaps it was unfortunate that the evidence on which the colleges' criteria were based had not been published.

The report concludes: "Not only have we ourselves never encountered recovery in a patient fulfilling the United Kingdom brain death criteria, but even in the aftermath of the recent public controversy about this issue we have been told of no cases that were well enough documented to be convincing."

HOME NEWS

Efficiency the goal for improved Civil Service Department

By Peter Hennessy
The Prime Minister spelled out her prescription yesterday for a new, improved Civil Service Department after her announcement in the Commons last month that the department had been reformed and would be merged with the Treasury.

In a White Paper published in response to a report from the Commons Select Committee on the Treasury and the Civil Service about the future of the Civil Service Department, the Government says its priority is "the pursuit of efficiency, particularly in the direct control of resources". The department would be reorganised to reflect that aim.

The document also discloses the preparation of a new scheme, known as "succession planning", designed to ensure that today's department is the highest posts in the Civil Service will be replaced by men and women chosen for their ability to control manpower and money.

The Government accepts the select committee's view that sustained industrial interest and direction are needed if the department is to avoid past disappointments, and recognises that it is "an essential instrument" in the achievement of a smaller and more efficient Civil Service.

Physical reorganisation has been kept to a minimum. About twenty people will be transferred when the department's

accountancy, finance and audit division moves into the Treasury.

Closer links between the department, the Treasury and the work of Sir Derek Rayner, joint managing director of Marks & Spencer, and the Prime Minister's adviser on the elimination of waste, are to be achieved by a new body, under Treasury and not Civil Service Department chairmanship.

It has been charged with securing: (1) better planning of public spending; (2) further development of financial responsibility and accountability by line managers in the Civil Service; (3) better matching of financial information produced for the public expenditure survey and estimates with that required for departmental management; and (4) a strengthening of internal audit inside departments.

The new body, whose exact composition is not disclosed in the White Paper, will be known as the Financial Management Organisation group. Its chairman will be Mr Geoffrey Limner, a Treasury deputy secretary.

Sitting with him will be Mr Kenneth Sharp, head of the Government's Accountancy Service, Mr Clive Priestley, an under-secretary from Sir Derek's staff in the Cabinet Office, and Mr Jonathan Clarkham.

The Future of the Civil Service Department, Government Observations on the First Report from the Treasury and Civil Service Committee, Session 1980-81, Command 8178, Stationery Office, £1.40.

Schools may get EEC cheap milk this year

By Hugh Clayton

Agriculture Correspondent
Cut-price milk financed by an EEC subsidy should be available this year to British schools.

Dr Mary Abbott, secretary of the milk committee of the union, said after a meeting yesterday of the council of the National Farmers' Union that the milk scheme, originally due to start in the summer term, might have to wait until the autumn because of administrative complications.

Farmers and dairymen want the subsidised scheme, worth £25m a year, to start as soon as possible to replace school milk sales lost since the obligation for local authorities to provide free milk was reduced by the Education Act, 1980.

Ministers hope to announce in the spring that the scheme has been cleared in Brussels and is acceptable to British education authorities.

This year is the tenth anniversary of the cuts in free school milk made by Mrs Margaret Thatcher as Secretary of State for Education and Science. To qualify for the EEC subsidy Britain has to agree to pay from a year towards it and to channel it through the common agricultural policy instead of the rate support grant.

Farmers and dairymen believe a rise in sales through schools offers the main hope in stemming the decline in milk consumption. Last year nine English counties stopped distributing free school milk.



Honey and son, the first Australian Cattle Dogs to appear in the Crufts dog show for 20 years.

Injunction raised cost of new building by £1.2m, court told

By Richard Ford

The £6m cost of building an Islamic cultural centre opposite the Victoria and Albert Museum, in London, would rise by £1,200,000 because of a court injunction granted to a local resident, Miss Diane Hart, the court was told yesterday.

Work on the building, being erected by the Aga Khan Foundation, a registered charity, would be extended by nine months because of the restrictions imposed on development operations, it was added.

Miss Hart, of Thurline Crescent, South Kensington, opposed an appeal by the foundation against the injunction granted to her after a hearing in chambers last month. Mr Donald Keating, QC, for the foundation, said the injunction restricted the hours contractors can work at the site, in Cromwell Gardens, the time loading and unloading

can take place and the use of cement mixers. He added that in an affidavit Miss Hart said that the building had given her £500 as she had to get away from the disturbance, but that she eventually sought help in hospital after taking pills and drinking. The hearing continues today.

Tory MPs press for child benefit increase

By Pat Healy

Social Services Correspondent
The Government is being pressed from its own back benches to raise child benefits. A deputation of Conservative MPs and a peeress has met Sir Geoffrey Howe, Chancellor of the Exchequer, to urge the case for increasing child benefits in the Budget next month.

They want an increase of 95p a week, raising the benefit to £5.70 a child, to restore its value to the level in April, 1979. That would make good the fall in value of child benefits when they were raised last November to £4.75.

Conservative MPs warned ministers last year that they would insist on that shortfall being made good, and rejected as insufficient ministerial statements that the value of child benefits would be maintained, subject to economic circumstances. That view was emphasised by the deputation, led by Mr Thomas Benyon, Conservative MP for Abingdon.

They said that child benefits needed to be raised both to help families and to reduce the poverty trap. Evidence produced at the meeting by Miss Ruth Liner, director of the Child Poverty Action Group, indicated that a family with two children were better off earning £55 a week rather than £75.

The MPs said after the meeting that they had found Sir Geoffrey "receptive".

Arts Council defends grants action

By Our Arts Reporter

Mr Kenneth Robinson, chairman of the Arts Council, said yesterday that having taken a decision to his more discriminating over the award of grants, he would be surprised if the council totally "reverted engines" next year and made only straight, across-the-board increases.

Both he and Sir Roy Shaw, the council's secretary-general, were critical of the way the recent allocation of cash, including the withdrawal of grants from 41 organisations, had been received. Mr Robinson said there had been "a good deal of misunderstanding and some misrepresentation".

Sir Roy said: "We did not withhold money, we redistributed it. Among the things most widely misunderstood was the decision to withdraw grants and the fact that there is no appeal. We had to act quickly in order not to keep our clients in suspense."

In the case of one big company there had been many letters about its quality of work over a period of two years, yet it had expressed surprise.

It is said the Arts Council is being very arrogant and that there should be an appeal. But this would be true only if we had removed money. What happened is that it was withdrawn from 41 and redistributed to 46 others.

The council would be anxious, he said, to find some way to give sufficient warnings to companies.

Foot attack on Duke over speech

By Our Parliamentary Correspondent

Mrs Margaret Thatcher was yesterday drawn into the exchanges between Labour and Conservative MPs over the propriety of the speech on Monday by the Duke of Edinburgh of the need for the United Kingdom to possess a nuclear deterrent.

Mr Michael Hamilton, Conservative MP for Salisbury, asked the Prime Minister at her question time in the Commons whether she would send a message out of goodwill and congratulations to the Duke for his outstanding speech. He pointed out that Mr Michael Foot, Leader of the Opposition, had recently sent a message to the Salisbury branch of the Campaign for Nuclear Disarmament.

Mrs Thatcher replied that she was sure there were the same thoughts in elevated situations of those of the Government.

Any government wishing to defend its people must see that it had sufficient nuclear weapons to deter an aggressor.

There were Conservative protests as Mr Foot remarked that the late Lord Mountbatten of Burma (in whose memory the Duke gave the lecture at Cambridge) perhaps knew more about war and nuclear weapons than even the Duke of Edinburgh.

Mrs Thatcher replied that Mountbatten was never a unilateralist, nor would he ever have been, because he had too much regard for the liberties of this country.

Club doorman is cleared of disco killing

Henry Doneghey, a club doorman, was cleared by a jury at the Central Criminal Court yesterday of the manslaughter of a man while evicting him from a disco club.

The victim, Mr John Sands, aged 30, a painter, of Cranworth Gardens, Stockwell, South London, had been trying to let clients into the club, the Mustang Machine, in Camden High Street, through an exit door without paying. Mr Michael Coombe, for the prosecution, said.

Mr Doneghey, aged 39, of Drafon Road, Kentish Town, was removing Mr Sands when he fell to the floor. He died despite resuscitation efforts by club staff.

Former casino director on 40 charges

A former assistant managing director of Coral Casinos, who was arrested by FBI agents in San Francisco last month, at Marlborough Street Magistrates' Court, yesterday faced 40 charges of theft from gaming clubs, forgery, false accounting and criminal deception involving about £54,000.

Alan George Watts, aged 40, was remanded on bail of £20,000 until March 12. A warrant had been issued at the court last August for his extradition from the United States.

Mr Watts, of no fixed address, waived extradition rights and returned to England voluntarily after his arrest on a warrant in the United States on January 27.

'Missing link' attacked as new M20 section opens

By Peter Waymark

Motorway Correspondent
A new section of the M20 mid-Kent motorway which will link London with the Channel ports opens today amid controversy over a 15-mile "missing link" between Maidstone and Ashford.

Mr Anthony Hart, chairman of Kent County Council planning and transportation committee, has described the Government's decision to suspend work on that stretch as "admirable". There has also been criticism from industry and MPs.

Mr Hart said yesterday that the Government had got its

priorities wrong, extending the motorway system to declining ports like Hull, Grimsby and Immingham, while ignoring Dover, where traffic had more than doubled since 1970.

He is performing the opening ceremony today on the new 4.6-mile section of the M20 from West Kingsdown to Addington, which completes an unbroken 21-mile stretch from Swanley, on the edge of London, to south of Maidstone.

Mr Kenneth Clarke, Parliamentary Under-Secretary for Transport, said: "The Government firmly intends that the M20 gap will be closed. It is only a question of timing."

Attempt to repeal 1824 law

By Our Social Services Correspondent

An all-party group of MPs is to attempt to repeal vagrancy offences dating back to 1824. They will introduce a 10-minute Bill on February 4 and seek to amend the Criminal Attempts Bill, which will outlaw the present "sus" law.

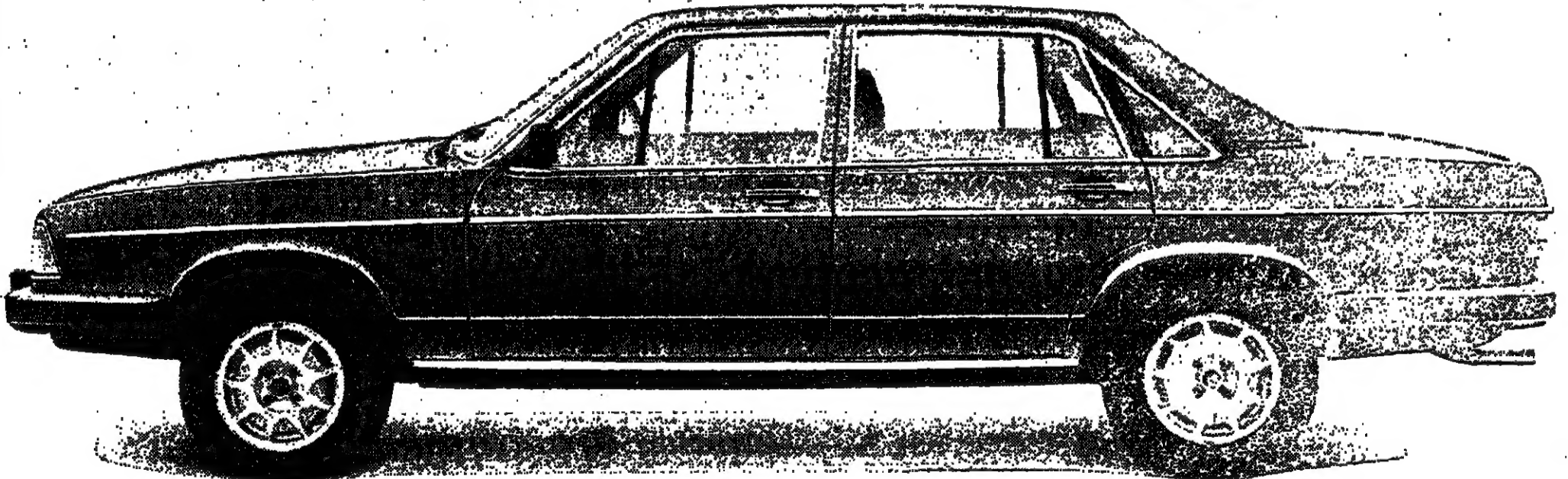
Mr Albert Stallard, Labour MP for Camden, St Pancras, North, who will introduce the new Bill, says in a statement

today that the punitive legislation of 1824 should not be the answer to unemployment and homelessness in 1981.

"It is utterly wrong that a 150-year-old law can still be used to punish as criminals people who only need a place to sleep or are poor and destitute."

The offences cover sleeping rough, begging and "being found on enclosed premises". In 1979, 268 people were imprisoned under the law.

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|----------------------------|---------------|--------------|---------------------|--------------|---------------------|
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| Model range prices from | £6,186 | £6,656 | £6,179 | £8,700 | £6,179 |
| Av. interior width (in.) | 57.5 | 50 | 55 | 52 | 53 |
| Front headroom (in.) | 39 | 37 | 35 | 35 | 38 |
| Rear headroom (in.) | 34 | 34 | 34 | 34 | 32 |
| Boot (cu.ft.) | 22.7 | 21.5 | 14.3 | 14.7 | 16.8 |

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HOME NEWS



Harbour for sale: The picturesque harbour of Portglen, Dyfed, which, with much of the adjoining village, is for sale by tender. For some seventy years it had a thriving trade in slates and granite. Commercial operations

ceased in 1931 but it is still popular with yachtsmen and fishermen. The property also includes six cottages listed as of architectural interest, two houses, former port and quarry buildings, and some six and a half acres of

grazing, through which passes the Pembroke coast footpath. The harbour and quayside structures are scheduled ancient monuments. The tenants' families have lived in the area for generations.

Photograph by Peter Knowles

Post Office curbs to remain

By Patricia Tisdall
Management Correspondent

Strict restrictions will remain on services post offices can offer across the country. An attempt to allow them to sell theatre tickets or any other form of private sector goods or services was defeated in committee yesterday.

An amendment to the Telecommunications Bill introduced by Mr Gregor Mackenzie, Labour MP for Rutherglen, and Mr Charles Morris, Labour MP for Manchester, Oldham, was opposed by the Government side on the ground that it could create unfair competition for private traders.

Mr Michael Marshall, Under-Secretary of State for Industry was among those who argued that if post offices were free to sell, for example, air tickets, it could be considered unfair competition to travel agents.

As it stands, the Bill gives post offices considerably more flexibility in the range of goods they can offer. It enables them to carry out work for any other nationalized industry and not just for government departments. It also lists other specified bodies for whom transactions can be carried out across post office counters.

But even those limited extensions of scope for new business are subject to explicit consent from the Secretary of State for Industry.

Post Office Corporation executives, however, believe that the extensions as listed in the Bill give them sufficient scope to recoup the business the corporation expects to lose from proposed changes in social security benefit payments.

An amendment was tabled to Clause 55 of the Bill which describes the powers and duties of the Post Office, which is to be separated from the activities of the telecommunications service.

University entry hard for would-be vets

By Diana Geddes
Education Correspondent

Veterinary science remains the most difficult subject on which to enter university. Published yesterday by the Universities Central Council on Admission show that only one in five applicants who put veterinary science as their first choice were accepted at British universities last autumn.

The A level grades of the 1980 candidates are not yet available, but those for 1979 show that more than three-quarters of the successful veterinary science applicants achieved at least two grade Bs and an A. Only a quarter of all first degree entrants achieved those grades or better.

The next most "difficult" subject according to A level grades was medicine, with 60 per cent of successful candidates having two Bs and an A or better. However, if judged by the proportion of applicants

being accepted for the subject of their choice, one in three, medicine would come only equal eighth with art and design.

Competition for places in a particular subject seems to be a poor guide to its "difficulty" for university entry. Classics, for example, comes bottom in that list, with 82 per cent of applicants gaining places in their preferred subject, but third in the list of successful candidates with high A level grades.

Education, on the other hand, appears to be a very difficult subject on which to enter.

The accompanying chart ranks subjects according to the proportion of successful candidates with high A level grades. UCCA Statistical Supplement to the Universities Central Council on Admission, PO Box 28, Chichester, Gloucestershire GL50 1HY.

| Subject | No. of applicants for Oct. 1980, entry | % of successful candidates with two Bs and an A or better (1979) | % of applicants occupying first choice (rank order in brackets) |
|-----------------------|--|--|---|
| 1. Veterinary science | 1,485 | 78 | 16 (1) |
| 2. Medicine | 11,424 | 60 | 32 (2) |
| 3. Classics | 1,708 | 41 | 82 (3) |
| 4. Mathematics | 3,927 | 39 | 86 (4) |
| 5. Law | 8,557 | 36 | 33 (5) |
| 6. Physics | 1,180 | 34 | 34 (6) |
| 7. Chemistry | 5,033 | 33 | 63 (7) |
| 8. English | 7,254 | 28 | 42 (8) |
| 9. Music | 1,360 | 28 | 58 (9) |
| 10. History | 4,498 | 27 | 84 (10) |
| 11. Electrical eng. | 7,297 | 27 | 36 (11) |
| 12. Economics | 5,997 | 25 | 35 (12) |
| 13. Accountancy | 3,085 | 25 | 21 (13) |
| 14. French | 1,988 | 25 | 41 (14) |
| 15. Mechanical eng. | 6,141 | 22 | 47 (15) |
| 16. Geography | 4,280 | 20 | 37 (16) |
| 17. Architecture | 2,000 | 19 | 20 (17) |
| 18. Art and design | 1,573 | 19 | 32 (18) |
| 19. Pharmacy | 2,785 | 17 | 28 (19) |
| 20. Mathematics | 2,618 | 16 | 24 (20) |
| 21. Civil eng. | 6,175 | 14 | 24 (21) |
| 22. Biology | 5,598 | 14 | 38 (22) |
| 23. Psychology | 3,388 | 14 | 31 (23) |
| 24. Dentistry | 2,889 | 11 | 31 (24) |
| 25. Sociology | 2,783 | 10 | 42 (25) |
| 26. Agriculture | 1,467 | 9 | 46 (26) |
| 27. Education | 2,105 | 4 | 28 (27) |
| All subjects | 147,248 | 28 | 57 |

* Figures subject to error because of small size of sample

NCCL policy on closed shop 'unchanged'

By Lucy Hodges

The reported support of the National Council for Civil Liberties for Miss Joanna Harris, who was dismissed by Sandwell council, in the West Midlands, for refusing to join a union, has caused some surprise.

The national council has been known to be equivocal or rather, agnostic, about the closed shop in the past and questions were raised yesterday about what had happened to change its mind. The Times quoted the group as expressing the same sort of sentiments as Mr Norris McWhirter, deputy chairman of the Freedom Association.

Miss Patricia Hewitt, the council's general secretary, said

there was no change in its position. She had given a statement to the Press Association on Wednesday to the effect that Miss Harris's case was clearly one of unfair dismissal and therefore against the law.

The annual conference of the council, the policy-making body for the group, discussed the closed shop at its last two meetings and concluded that the issue raises conflicts of civil liberties which can be irreconcilable.

Miss Hewitt explained that unless one of the one hand, the individual's right not to join a union, as against the right of people at work, on the other hand, to organize together to improve their position. Most of the big trade

unions are affiliated to the council but it also has 5,000 individual members.

The executive committee of the council, had however, decided that where someone had a religious objection or where a closed shop was introduced and any of the existing employees did not want to join the union, they should not be made to.

Miss Harris, who worked for Sandwell before the closed shop agreement came into effect, was dismissed when she refused to join.

The council takes a different line on new employees joining an organization which has a closed shop agreement. They should not be entitled to protection.

Minister denies that Nationality Bill is aimed at 'births in transit lounges'

By Philip Webster
Parliamentary Staff

The Government's decision to depart in the British Nationality Bill from the principle that every child born in the United Kingdom has an automatic right to British citizenship was defended yesterday by Mr Timothy Raison, Minister of State, Home Office, as sound and being based on common sense and the realities of modern times.

He said that there were a wide range of circumstances in which there was no justification for continuing to allow children born in the United Kingdom to have citizenship unless one of the parents was subsequently accepted for settlement.

At the Commons standing committee on the Bill he said that such circumstances covered the couple in Britain for a short stay when a birth took place unexpectedly, people like students who were in the country for long periods but still temporarily, and people who had remained in breach of

entry conditions, or who had entered illegally.

The main uneasiness the Government felt was that allowing birth to confer citizenship on such children would mean that after they had gone home their own children, born overseas years later, would be British citizens by descent.

Additional British citizens would be created "in some numbers" who had little or no connection with the United Kingdom. He denied that the Government was aiming its proposals at "births in transit lounges and at public monuments".

To Opposition demands for information on the numbers involved, Mr Raison said he would not claim that any accurate figures existed. Nor would he argue that the figures were very relevant. The point was mainly one of principle, but even if the figures were as small as some had suggested they would still mount over the years with the effect of an increase in Britain's potential immigration commitment.

Mr Raison disclosed, however,

In brief

Former police chief remanded

James Collie, aged 56, a former chief superintendent of police, of Ashton Way, Epsom, Surrey, was remanded on bail until February 26 at West London Magistrates' Court yesterday charged that between July 18, 1980, and February 9 last he stole a Metropolitan Police warrant card valued at £1 belonging to the Metropolitan Police.

He is further charged that on February 9 at West Bromwich Underground station with intent to deceive he impersonated a police officer; and on the same occasion failed to pay a 70p fare.

Woman dies after attack by dogs

Mrs Dorothy Dow, aged 72, of Beechfield Road, Epsom, Kent, who was savaged by two Doberman dogs while out shopping on Monday, has died in hospital after a heart attack. She was one of 11 people bitten by the dogs. Police said: "It seems the dogs went crazy when they were let out."

Extra money to fight delinquency

The Government is to make £150,000 more available to the Intermediate Treatment Fund to match other funds providing community-based projects to help to prevent delinquency.

Announcing the extra funds at the launching yesterday of Leicester Action for Youth Trust, Sir George Young, Under-Secretary of State for Health, said recent statistics showed a noticeable reduction in juvenile crime.

Police inquiry

A complaint against Mr Harry Atkinson, an assistant chief constable of Avon and Somerset Police, is being investigated. The police disclosed yesterday that he is recovering from an operation.

Sea speeding fine

William Mann, of Ladybank Hall, Dimple Dale, West Yorkshire, was fined £100 by Brighton magistrates yesterday for speeding off the coast at Brighton in a jet-powered boat.

Civic regalia warning

Police are urging town hall staffs in the North and Midlands to take extra precautions to safeguard their civic regalia, including mayors' gold chains of office, after a series of thefts.

WEST EUROPE

Forty-six bomb attacks blast Corsica after court passes prison sentences on autonomists

From Charles Hargrove
Paris, Feb 12

A spate of bomb attacks against Corsica last night after the Court for State Security there had sentenced eight militants to prison terms ranging from 18 months to four years.

Seven others were given suspended sentences, the fine against them having been covered by their detention, pending trial.

There were no facilities in the 46 bomb attacks, which caused extensive damage to property. The number far exceeded that of the famous "blue night" of July 1978, a month after President Giscard d'Estaing visited Corsica promising economic support for the Corsican economy but refusing concessions to the autonomists.

The attacks were meant to demonstrate that, in spite of a wave of arrests, the autonomists' network throughout the island was unimpaired.

Last night's attacks were, as usual, aimed at public buildings; banks, shops, and the property of Frenchmen from the mainland or Algeria, as well as motor vehicles. In Ajaccio, for instance, the flat of the tax inspector was badly damaged as well as the law courts, the prefect's offices, and a restaurant.

At Sagone, in the south, the post office, a service station and a beauty "barbers" were the targets. In Propriano the local office of the gas and electricity board, a symbol of French "colonialism" for the autonomists, was damaged.

The villa and a camping ground belonging to Parisians were partly destroyed near Calvi, in the north. At Saint Florent, a bank was singled out for two bomb attacks while at Biguglia, south of Bastia, three commercial premises which had already been damaged by explosives last year, received the autonomists' attention.

There seems no possibility of breaking out of the vicious circle of agitation and repression. Although the activists among the autonomists are in a tiny minority of the island—with the French Government maintaining that there is no cause to make the political concessions—they enjoy the passive support of many of their fellow islanders.

They hold a deep grievance against the Government in Paris, a feeling of injured pride exacerbated by economic difficulties, lack of job opportunities in Corsica, and the high rate of unemployment which compels young Corsicans to go into "exile" in France in search of work.

The Government has for

years used a combination of the stick and the carrot, subsidies and economic inducements. But the autonomists' agitation persists even if it is only a marginal phenomenon and creates a climate of uncertainty and fear.

In the trial which ended yesterday after nearly a month of hearings, the chief public prosecutor, in his summing up, struck a moderate note. He insisted that "the law derives its strength from restraint. If these men went too far, let us not follow in their footsteps".

The men were in court for their part in the so-called Bastia affair of January last year, when about 200 armed autonomists surrounded the village near Ajaccio and held three men whom they accused of being members of the "Franci" anti-autonomist organization, and agents provocateurs of the Government.

Two days later riot police cleared the village without firing a shot but 30 autonomists made a successful getaway and barricaded themselves in an Ajaccio hotel, where they held a dozen people. The hotel was invaded after a 48-hour siege by men of the special anti-gang squad, without loss of life. But in the streets of the city, two young Corsicans were shot and a policeman was killed. The trial opened on January

14 in a tense atmosphere because of the hunger strike staged by six of the eight men who had been committed to prison awaiting trial (the others had been freed on bail) in support of their demand for the status of political prisoners.

But they had decided to end their hunger strike in order to give evidence about the activities of members of anti-autonomist organizations acting as agents of the authorities. Counsel for the defence made a clear distinction between the Union of the Corsican People, the legal autonomist movement to which the accused belonged, and the terrorists of the separatist Corsican National Liberation Front.

They pleaded legitimate self-defence against a "terrorist anti-autonomist commando" and asked for the case to be dismissed. The prosecutor appeared to accept this in part when he said that the "real instigators of the Bastia case are not in court".

The case against three men alleged to be members of the anti-autonomist commando at Bastia is being investigated separately. If they are brought to trial it will do much to undermine the autonomists' contention that French justice applies double standards to rival groups of agitators.

Constantine supporters seize royal coffin

From Our Own Correspondent
Athens, Feb 12

King Constantine, the former King of the Hellenes, returned to Greece today for the first time in 13 years, to bury his mother, Queen Frederika, in the family graveyard at Tatoi, and last night he was to resume his life in exile.

His presence at the burial service provoked an exuberant outburst from one group of young supporters who seized the coffin and took it to the church, while another group carried the former King shoulder high.

At one point, when the crowd started chanting royalist slogans and anti-government slogans, the former king urged them to keep quiet. The police had earlier issued orders not to interfere during the service, although there was a great deal of pushing and screaming.

His brief visit touched off a heated political controversy that caught the Greek Government between opposition charges that it was violating the constitution, and protests from the royal family over the restrictions imposed at the funeral.

The body of Queen Frederika, the former queen mother, was laid to rest next to the grave of her husband, King Paul, after a funeral service at the chapel of the Tatoi summer palace, conducted by the Greek Patriarch, Archbishop Serapheim.

The coffin, draped in the royal standard, was taken today to Tatoi airfield from Madrid where Queen Frederika died at the age of 63.

For her only son, King Constantine, this was his first homecoming since his flight abroad after his father's abortive counter-coup against the military dictatorship in December, 1976. Seven years later, with the downfall of the junta, a popular referendum on the monarchy resulted in a two-to-one vote against him.

There was no fanfare and no guard of honour. He was met by Mr Constantine Mitsotakis, the Foreign Minister, who was there to greet members of foreign royal families.



King Constantine falls to his knees on reaching Greek soil after a 13-year exile.

The Greek Government, in an effort to minimize the political excitement over this visit and fearing that monarchist manifestations could provoke counter-demonstrations and riots, declared the district of Tatoi out of bounds to anyone except a few score guests that the royal family was allowed to invite.

At the same time it insisted that King Constantine should not remain in Greece overnight, but leave as soon as the ceremony was over.

Other members of reigning royal houses who arrived privately included the Duke of Edinburgh, who flew in on board a two-engine RAF aircraft, the Queen's Flight, Princess Juliana of the Netherlands, Prince Albert of Belgium and other European royalty.

Leniency likely for returned terrorist

From Patricia Clough
Bonn, Feb 12

Michael Baumann, the second reformed terrorist to be found living in London, faces trial in West Berlin on five charges including bank robbery, bomb attacks and attempted murder.

But justice officials thought it likely that his public appeals to former comrades to "throw your guns away" and his changed ways would lead to a mild sentence if he was convicted. Judges are obliged to consider not just the crime itself, but other factors, such as whether the person has reformed.

Herr Baumann is being kept in Mainz prison, Berlin, after reformed terrorist last night from London. The West German Federal Criminal Office declined to say whether it had received the information which had led to the arrest of Herr Baumann.

But officials from the

criminal office confirmed that detectives from their highly specialised search squad had flown to London on receiving word of his arrest on Tuesday and that investigations into his contacts were continuing.

Herr Baumann, is charged with membership of a criminal organization, participation in the attempted rescue of two women terrorists from prison, several bank robberies and bomb attacks against the British Yacht Club and two British cars in Berlin.

He is also accused of the attempted murder of a policeman during a raid in which a comrade was shot. It was the death of this comrade, Herr Georg von Rauch, which induced Herr Baumann to renounce terrorism.

While the police sought him in vain, he gave interviews in West German magazines and even on television—appealing

to his comrades to give up their fight.

He also published a book in 1978 entitled *How It All Began* which described why he joined the June 2 Movement, a Berlin terrorist group, and why he later changed his mind.

Frau Astrid Proll, another reformed terrorist arrested in London about two years ago, was held up as an example by the Interior Ministry in an unsuccessful campaign to induce repentant terrorists to give themselves up.

Her sentence—five and a half years for bank robbery and falsifying documents—was in no way lenient and the court explained that although she had changed her lifestyle, she had not expressly dissociated herself from terrorism. But she was pardoned the rest of her sentence because she had already spent two thirds of it in jail.

One in five children need special kind of care

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WEST-EUROPE

Germans infuriated by British stance on EEC fishing policy

From Michael Hornsby
Brussels, Feb 12

The collapse in the early hours of this morning of the attempt by EEC ministers of agriculture to agree on a common fisheries policy has seriously strained Britain's relations with West Germany.

Mr Peter Walker, infuriated by the West German counterproposal, Herr Josef Eril, by refusing to approve an agreement with Canada that would allow EEC boats to fish off Labrador in return for tariff reductions on Canadian sea food exports to the Community.

The agreement poses problems in that most of the Canadian fish would be sold on the already depressed British market, but Mr Walker's main reason for withholding approval was to retain a bargaining counter in the dispute over the EEC's internal fisheries regime.

Under the agreement some 24,500 tonnes of fish, mainly cod, could be caught by EEC boats in Canadian waters, West German trawlermen, who get the bulk of this catch, are angry and frustrated at being denied such a valuable fishery.

The Germans say that unless their fishermen can get into Canadian waters by the beginning of March at the latest the agreement's value will be much reduced because after that date icebergs make fishing dangerous.

Herr Eril is convinced that the British are now maintaining their veto of the Canadian agreement out of sheer malice. He accused Mr Walker of "unpleasantly conduct" and said he was an "even more unpleasant negotiator than Mr John Silkin, the secretary of Agriculture Minister and noted anti-market."

The Germans were not the only ones to be irritated by Walker's performance. When talks broke down last December, most of the blame

was aimed at France—but there was a lot more sympathy for the French point of view last night.

In the eyes of the Germans an dthe French, at least, there was a clear link between last May's agreement on Britain's EEC budget refund and an early solution to the fisheries dispute, and it was being openly suggested yesterday that Britain had reneged on its part of the bargain.

The atmosphere is bound to be much more difficult when agriculture ministers meet again on March 9 and 10. There is a danger that the whole dispute will become caught up in the annual negotiations on farm prices. With the French presidential elections only a month away, M Daniel Hoeffel, the French Fisheries Minister, will find it even harder to offer concessions.

The one glimmer of light is that the ministers of agriculture, for the first time this week, started to look at ways of satisfying Mr Walker's most contentious demand—that access of continental fishing vessels to British coastal waters should be physically controlled.

Mr Walker's most contentious demand—that access of continental fishing vessels to British coastal waters should be physically controlled. The French say that this should be reserved essentially for British boats provided the French can maintain a reasonable level of traditional fishing.

But much more difficult is the British demand for a ban on boats more than 80ft long in areas beyond 12 miles off the north of Scotland and in the English Channel. The French say that beyond 12 miles the rules of free access must be guaranteed. The Dutch-sponsored compromise—a system of licensing—missed "mainly" through lack of detailed preparation.

Food lorries held up by fishermen's barricades

From Patricia Clough
Bonn, Feb 12

Angry West German fishermen today stopped lorryloads of French, Danish and Dutch fish reaching processing factories at Bremerhaven in protest at the failure of the Brussels negotiations.

By mid-afternoon eight refrigerator lorries were held up by the fishermen on the approach roads to the harbour. The fishermen said they would put up similar road blocks to night around Cuxhaven, West Germany's other big deep sea fishing port.

Some of the fish had been brought in to make up for the lack of German fish caused by the delays in Brussels.

Yesterday the fishermen occupied the locks at the entrance to the harbour and prevented a French vessel from entering. They hinted that they might establish road blocks on the border with Denmark, thought to be partly responsible for the lack of agreement. "We will first find out who is the bogymen of Europe and then consider further measures," a spokesman said. The fishermen said that if the German deep sea fishing vessels

had to return from their present fishing grounds off Canada and eastern Greenland for lack of further quotas they would blockade the big north German ports.

In Hamburg, seven offshore fishing vessels today blockaded the Elbe in protest at the pollution of the river.

British priority: In spite of the breakdown of fishing talks in Brussels a few hours earlier, Mr Alick Buchanan-Smith, Minister of State for Agriculture and Fisheries yesterday spelt out the Government's priorities for when the EEC finally arrives at a common fisheries policy (Our parliamentary staff write).

"The overall objective is to try to secure a balance throughout the Community between fishing opportunities and catching effort," he told the standing committee in the House of Commons considering the Fisheries Bill.

To do that they must first look at scrapping grants to deal with that section of the British fishing fleet which no longer had opportunities open to it, and, secondly, they would lay strong emphasis on grants for modernisation, improvement and building new vessels.

Italian police chief lifts secrecy

Single unit is proposed to tackle twin evils

From Peter Nichols
Milan, Feb 12

This was one of those rare occasions on which what was feared was less important than what it happened at all. General Carlo Albero Dalla Chiesa, until the most celebrated scourge of Italian terrorists, talked publicly in Milan about his work and about himself.

He called for the setting up of a single organization with a single approach to the two problems of the Mafia and terrorism. In his 40 years with the carabinieri, the general has personally faced both.

He admitted today that he clearly saw himself as the model, or the carabinieri officer in one of Leonardo Sciascia's novels about the Mafia. But he is best known for his brief year at the head of the carabinieri's anti-terrorist squad, a post created for him in the summer of 1978 as part of an effort to convince public opinion that something was being done after the murder by terrorists of Signor Aldo Moro, the former Prime Minister.

General Dalla Chiesa no longer has special functions of anti-terrorism. The post was abolished when he took over the northern division of the carabinieri which has 27,000 men and is based here. He still holds his reputation in the past was of vigour and dedication, a certain impetuosity, a notable ability to win loyalty and a preference for the greatest possible degree of secrecy. He did not, confirmed today, give his correct telephone number even to his children.

He was the first military figure in Italy's postwar democracy to make a formidable name for himself in the public eye even if he himself is the first to deny any political ambitions. Indeed, talking to him it was noticeable how great was his formal respect for the politicians. More to the point today was the day the secrecy

writer and journalist. They invited a small group of guests to listen and then to continue over lunch with this process of revealing the general's true self.

Talking about his work against the terrorists, he said that he did not think Italian terrorism was different in kind from that elsewhere except for the Italian emotionalism—"A kind of drug which we carry around with us. A light drug but it is there."

On the question of inspiration from abroad for Italian terrorism he said: "When there are two powers—two worlds—opposed to each other, it would be absurd to think that both sides would not be active in the search for a theatre in which to pursue certain strategies in economic and political fields."

His humanity began to emerge clearly when he talked of the value of repentance among terrorists. A young man might become a terrorist almost in spite of himself, being forced to take a new step by his leaders with every new operation until he had reached the point of killing his first victim.

The general felt there must be terrorists seeking "liberation" from what they had done, a way to save themselves and others. He had always supported measures which would encourage repentance.

He made only one distinction between right-wing and left-wing terrorism. The right had a cultural background, sparse in content and poorly digested, so much so that it leads to more noticeable degree of danger because of its unpredictability and immediacy. The left on the other hand has an ideological strain on which it based a strategy of violence against the state's institutions.

Had we made any mistakes? Well, he might have made one by coming here today he suggested—but hardly. Apart from some nervous handwringing at the beginning, he carried off the occasion with a mixture of sentiment and decision.

OVERSEAS

Dry humour causes unlikely row

From Michael Leppman
New York, Feb 12

New Yorkers are seldom content without some intangible dread to worry about and they have been working themselves into a rare fret about the prospect of a spring drought.

Nerves are so frayed that Mr Edward Koch, the Mayor, has found himself in an unlikely slugging match with the citizens of Greenwich, Connecticut.

All over the north-eastern United States, after an arid autumn and winter, reservoirs are at less than a third of their capacity. Heavy rain yesterday took some of the edge from the doom-watching, but more rain-fall is needed before fears are truly dampened.

Posters and advertisements have been urging us to save all we can—no more baths, no lawns and shorter showers. Mr Koch has been filmed shaving from a basin instead of under a running tap, and he has invented a rude little rhyme whose import is to encourage less frequent flushing of the lavatory.

Carried away by his enthusiasm, the mayor warned us all the fate of the poor people of Greenwich, whose reservoirs are even emptier than ours. "People there don't take showers every day any more," he said.

It's getting so you can tell when someone comes from Greenwich, Connecticut. We don't want that to happen in New York City.

The clear implication is that people from Greenwich stink and that they were swift to react. Had there been enough water, they would have worked themselves into a rare lather.

The mayor protested that he had meant no harm, that he had merely been trying to dramatize the situation to bring home its gravity. "A little humour makes the pain bearable," he explained.

Mr Koch is up for reelection this year and it is lucky that the citizens of Greenwich do not have a vote. Otherwise he would, in the local parlance, take a bath.

Zimbabwe plan to attract aid

From Stephen Taylor
Salisbury, Feb 12

The Zimbabwe Government today outlined a three-year economic plan as a prelude to a conference of aid donors to be held here next month, when it hopes to obtain \$221,200m (about £800m) in foreign capital for land and development projects.

Announcing the scheme, Mr Bernard Chidzero, Minister of Economic Planning and Development, said Zimbabwe needed "a single massive injection of aid" to overcome inequalities and set it on the road to prosperity.

While the Lancaster House agreement leading to Zimbabwe's independence recognized the need for such a programme it had not set out the methods for mobilising aid and Mr Chidzero said, the response of the international community had so far been disappointing.

This point has been made frequently by ministers here, notably by Senator Enos Nkala, Minister of Finance, who told the House of Assembly recently that Zimbabwe was "at war" with Britain over aid.

Foreign governments have so far promised Zimbabwe a total of \$2156.5m in grants and loans. Of the \$215m pledged in grants, about 40 per cent has been received while less than 1 per cent of about \$265m expected in loans has been received.

Mr Chidzero described the conference—to which 45 nations and representatives of the EEC, the World Bank, the IMF, Opec and the African Development Bank have been invited—as the most significant challenge to mankind since World War Two.

"Our claims are not begging," Mr Chidzero said. The country had the resources and infrastructure to enable it to become a future donor to other Third World countries.

Black editors named: The appointment of three blacks in place of whites as editors of Zimbabwe's three main newspapers was announced by the Zimbabwe Newspapers Group today.

Mr Robin Drew, editor of The Herald is to be replaced by Mr Farayi Mnyuki, publicity secretary in the United States for Mr Mugabe's Zanu-PF Party. Mr Mnyuki has written for the Times of Zambia and the Zambia Daily Mail.

Mr Sandy Robertson, editor of the Bulawayo Chronicle, is to be replaced by Mr Tommy Sibele, former chief reporter on the Daily News in Tanzania, and Mr Willie Musarurwa, former publicity secretary for Mr Nkomo will take over from Mr Eric Richmond as editor of the Sunday Mail—Reuters.

Japan's loss of islands seen as punishment

Moscow, Feb 12.—Japan has no claim to the Kurile Islands because the loss of those territories was "the punishment it deserved" after the Second World War, the Soviet weekly New Times said today.

It condemned the "anti-Soviet campaign" of demonstrations held in Japan earlier this week, adding: "The principle of the immutability of post-war frontiers is the most important condition of lasting peace."—UPI.

South Africans claim white extremist group is broken up

From Nicholas Ashford
Johannesburg, Feb 12

The South African authorities believe they have smashed an extreme right-wing organization which for the past 18 months has been carrying out a campaign of bombings and intimidation against verligte (liberal) academics, non-racial institutions, black leaders and blacks living illegally in white urban areas.

Mr Louis Le Grange, Minister of Police, announced earlier this week that the security police had detained four leading suspects of an organization known as the Wit Kommando (White Commando) and that they were hoping for another arrest in the near future.

Among those detained was Mr E. Zandbergen, leader of the National Front in South Africa which has close links with its British counterpart. Mr Le Grange also said that police had uncovered a large armoury of modern explosives, detonators and weapons.

The Wit Kommando is alleged to have been responsible for a whole series of violent incidents in recent months. These include bomb explosions in the offices of two prominent Afrikaans academics, Professor Jan Lombard of Pretoria University and Professor Franz Maritz of the University of South Africa.

The explosion at Professor Lombard's office came after the publication of a set of proposals by him for a multiracial dispensation in Natal involving whites, Indians and blacks.

Professor Maritz's offices were blown up after he had appeared as a defence witness at the recent "Silverton bank siege" trial in Pretoria during which he compared the rise of black nationalism to the development of Afrikaner nationalism and gave warning that a "man who sits in jail today may tomorrow sit in government".

Mr Le Grange said the Wit Kommando included a bomb explosion last month outside the office of a member of the Natal provincial assembly in Durban, a bomb attack on

the house of the Transkei consul in Port Elizabeth and bombs at two non-racial drive-in cinemas.

A number of prominent blacks, among them Bishop Desmond Tutu, general secretary of the South African Council of Churches, have received threatening letters from the Wit Kommando and a number of Coloureds and Indians living in twilight areas of Johannesburg have been warned that their homes would be blown up if they did not move out by the end of this week.

White extremist organizations are not new to South Africa. Some have had distinguished members. The Ossewa Brandwag, which carried out a campaign of bombings and terror during the Second World War, counted Mr John Vorster, the former Prime Minister, and General Hendrik van den Bergh, former head of the Bureau of State Security among its members.

For a number of years an organization known as Scorpio terrorized white liberals, mainly in the Cape region. Some of the Government's most outspoken critics, such as Mrs Helen Joseph, have been the constant targets of threatening telephone calls, "dirty" tricks and gun attacks.

What is significant about the new wave of white extremism, however, is that it is increasingly directed at Afrikaners rather than English-speaking whites and that it comes at a time when there is a growing right-wing reaction against the Government's cautiously reformist policies.

This mood of white reaction has been expressed by a recently created women's organization known as the Koppieskommando. The Koppieskommando, who are said to number about 7,000 and who operate a cell system similar to underground insurgent organizations, wear black bonnets and capes to symbolize the era of darkness which they believe is taking over the country.



M. Francois Mitterrand, the French Socialist leader, walking beside the Great Wall of China. He is spending a week in the country.

Legal snag for Britons held in Iran

From Tony Alloway
Tehran, Feb 12

Iran's Supreme Court leader said today that there was still a legal difficulty to be settled before four jailed Britons could be freed.

"There is one more question that should be explained and made clear, and after that they can release them," Ayatollah Beheshti, who also heads the powerful Islamic Republican Party, said. He added: "I don't think it is anything serious."

The four Britons, Dr John and Dr Audrey Goleman, Miss Jean Waddell, who are missionaries and Mr Andrew Pyke, businessman have been imprisoned by the Iranian author-

ities since last August. No charges have so far been laid against them.

Last week Ayatollah Beheshti told journalists that the judicial authorities would make a "final decision" concerning the cases of the four. He indicated today, however, that while that decision had been taken and allegations of spying appeared to be included in this a further legal difficulty had cropped up.

Speaking in English, he would only answer three of our questions before he was spirited secretly out of the mosque to avoid the crowds that continued to wait for him. He said the outstanding problem still involved a question of their

"guilt", a sign that more than a mere legal technicality was involved.

But he also said that the need to clear the difficulty up arose from a fear that, if it was left outstanding, the authorities concerned would be left open to "public" criticism.

Ayatollah Beheshti added that he had not been able to meet Mr Terry Waite, representative of the Archbishop of Canterbury, who has been conducting secret negotiations for the Britons' release.

But he said: "I have told the authorities in the revolutionary court that they should try to (hand over) these four to this priest."

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OVERSEAS

Moscow takes unusual step of publishing diplomatic reply to US

From David Cross
Washington, Feb 12

The State Department said today that it "regretted" that the Soviet Union had chosen to take "the unusual step" of publishing the text of a long confidential letter from Mr. Andrei Gromyko, the Soviet Foreign Minister, to Mr. Alexander Haig, his new American counterpart.

The letter, copies of which were issued to news organizations in Washington by the Information Department of the Soviet Embassy last night, refuted charges made about Soviet behaviour in Iran, Poland and Afghanistan.

It also accused Washington of numerous belittling actions, including "distortion" of Soviet motives and "open interference" in Poland.

Explaining the State Department's reaction to the sudden and unprecedented Soviet move, a spokesman said that Washington considered "confidentiality essential to the conduct of diplomacy". He added that "for that reason" the State Department would not be releasing copies of a letter sent by Mr. Haig to Mr. Gromyko on January 24 to which the published letter from Mr. Gromyko was a reply.

None of the points contained in the Soviet Foreign Minister's letter were particularly new or unexpected.

But the decision by the Moscow authorities, who normally place great importance on confidentiality and secrecy to publish in full a diplomatic message from such a senior Soviet official was seen here as a sign of Russian deep concern about the present state of Soviet-American relations. President Reagan and Mr. Haig have had harsh talks to say about Soviet behaviour since taking office last month.

In an introduction to the letter, the Soviet Embassy here said it was publishing the contents of Mr. Gromyko's letter sent on January 28 because the contents of the letter from Mr. Haig to Mr. Gromyko "has been made public by the United States side".

This statement was in fact untrue at the time it was made since no text of Mr. Haig's letter had yet appeared in the American press, although some newspapers had mentioned briefly the main points made by the new Secretary of State in his original communication.

After the publication of the Soviet letter, the State Department said it was "regretted" that the Soviet Union had chosen to take "the unusual step" of publishing the text of a long confidential letter from Mr. Andrei Gromyko, the Soviet Foreign Minister, to Mr. Alexander Haig, his new American counterpart.

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ment considered briefly today, whether or not it should disclose the contents of Mr. Haig's original message, which was sent to Moscow just four days after President Reagan took office.

The Secretary of State clearly decided, however, that this would not be in America's best interests.

From what Mr. Gromyko had to say, it is, however, fairly clear that Mr. Haig dwelt fully on three points—allegations that the Soviet Union had mischievously tried to complicate Washington's task of freeing the American hostages from Iran, a warning to Moscow not to intervene in Poland, and a call for the Soviet Union to end its occupation of Afghanistan.

Adopting a "more in sorrow than in anger" tone, Mr. Gromyko began his letter by stating that it could "only be regretted" that questions in Soviet-American relations deserving "priority attention" "judging by yourself" (Mr. Haig's) letter not yet fallen within the scope of attention of the new Administration.

Presumably he was thinking of disarmament talks and the like. Mr. Gromyko then went on to criticize the point "certain specific questions touched upon in your letter".

On the Soviet attitude to the American hostages in Iran, he said that Mr. Haig had "passed in silence" his early calls for their release.

On the Polish question, Mr. Gromyko turned American fears of Soviet intervention round to accuse the West of such intervention itself. He accused the Voice of America radio station of broadcasting "provocative and instigatory" transmissions to Poland.

Turning to Afghanistan, the Foreign Minister repeated Soviet calls for an end to foreign, allegedly western, military intervention in the country, and accused the United States of supporting "insurgents who are fighting the Soviet-backed" authorities in Kabul.

Mr. Gromyko's letter ended on a more conciliatory note. Confirming his readiness for exchange of views on a wide range of issues, he said that he hoped "that subsequently a proper place will be accorded to the questions on which resolution of the prospects of development of both Soviet-American and (the) international situation as a whole are primarily dependent".

Washington Commentary
Patrick Brogan

after Mr. Reagan took his oath of office.

Mr. Reagan has been heard to express doubts that the federal budget can be balanced before 1984. The deficit this year will be about \$80,000 million and it is wildly unreasonable to suppose that it can be eliminated.

It is true that Mr. Carter's last budget included projections for the next few years, showing the deficit vanishing, but he did that with a flourish.

The first piece of legislation President Reagan requested was an increase in the National Debt ceiling. The Government would have come to an abrupt halt in mid-February if the measure had been rejected but a number of conservative votes against it.

They were playing to the gallery, of course, but the gesture showed their economic frivolity. By the same token, the reception given to the budget cut proposals in the House of Representatives, the shallowness of the economic arguments in Congress, cutting the budget by five per cent (Mr. Reagan's optimistic target) is not really going to balance the budget in three years, let alone change

the course of American history. The trouble with these extreme conservatives is that their motive force is social policy. They raise their money and get their votes by opposing abortion and busing, by advocating prayer in school and purging public libraries of immoral works, and by insisting that schools should teach the Book of Genesis as part of the curriculum, on a par with modern science.

These are all matters that people believe in passionately but they are not central issues in America's present predicament. Those central issues are the ineluctable decline in its influence in the world, the fall in its productivity, inflation, and the sclerosis of political institutions, loosely defined as conservatives who refuse to waste their time on fighting against abortion, and face up to the real problems of the world.

Poles asked for 90-day break from strikes

From Dossa Trevisan
Warsaw, Feb 12

General Wojciech Jaruzelski, the new Polish Prime Minister, today called on Solidarity to give his Government three months of peace in which to sort out the most urgent problems.

He said the Government would use the time to engage in the broadest possible dialogue and was setting up a permanent commission for talks with the union. To reassure the union he appointed Mr. Mieczyslaw Rakowski, a new Deputy Prime Minister, and his deputy, Mr. Jozef Piontek, who is known for his liberal views, to head the commission.

General Jaruzelski reshuffled the Cabinet. Two of the six Deputy Prime Ministers were dismissed. Six new members were brought into the Cabinet, including a new Minister of Agriculture.

Mr. Mieczyslaw Jagielski, the first Deputy Prime Minister, who negotiated last summer's agreement in Gdansk and enjoys the confidence of the workers, has retained his post and has been charged with economic affairs.

The Prime Minister's call for cooperation seems to have met with a response as the Solidarity national committee, which met under the chairmanship of Mr. Lech Wasera in Gdansk, indicated that while it

might not commit itself yet, it was ready to resume the dialogue.

General Jaruzelski's call for a 90-day moratorium on strikes seems to have been accepted as Solidarity announced that no strikes were being envisaged to support the Rural Solidarity's demands for legalization.

A strike of printers in Warsaw planned for tomorrow was called off.

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might not commit itself yet, it was ready to resume the dialogue.



General Wojciech Jaruzelski, the new Polish Prime Minister, addressing the Warsaw parliament.

General Jaruzelski has proclaimed a 10-point programme which promises to play special attention to agriculture. He made it clear that he would try to reconcile demands for discipline and work with democratic openings towards all strata of society.

The Government, he said, would work for a socialist renewal, remove all people guilty of corruption and keep up high moral standards and honesty. He left no doubt that the Government would resort to its "constitutional prerogative" to defend the social and political values of Poland as a socialist state.

The authorities, he said, had enough power to bar the way to those who wanted to turn back the "wheel of history" to destroy socialism and endanger Poland's alliances.

The country was threatened with "economic chaos and fratricidal conflict". These words do not come easily, he said, but he was fully aware of their weight and bitterness.

On issues concerning national destiny one could not remain silent. Every citizen was responsible, everyone must ask what he could do and what he should do to check the course of events.

The Solidarity national committee is also examining a call on local branches to refrain from any strikes before consultation and approval by the national committee.

The students in Lodz, who have been occupying the University for the past three weeks, and who have presented the Government with a list of demands including one to cut military service from two years to three months, yesterday issued an appeal to other universities to refrain from any action until the weekend. They hope to have reached an agreement by then.

stronger for the benefit of the peoples of our fraternal countries and the cohesion of the socialist community, in the interests of peace and security in Europe.

The references to the "socialist community" and to the "interests of fraternal countries" in Polish affairs are a clear restatement of the so-called Brezhnev doctrine that the position of communism in an East European country was the clear concern of all its fellow members of the Warsaw Pact block.

The Russians have not commented further on General Jaruzelski's appointment and are not expected to. But there are clear signs that they are hopeful he will be firmer than his predecessor in standing up to the demands of Solidarity.

Meanwhile the Russians have taken the unusual step of publishing the text here of a letter sent by Mr. Gromyko, the Soviet Foreign Minister, to Mr. Alexander Haig, the American Secretary of State, accusing the Americans of interfering in Poland's internal affairs and saying that no country, including both the United States and

the Soviet Union, had the right to interfere in Poland's affairs. He says there are a number of matters over which it was desirable that his country and the United States should exchange views. But Poland was not among them.

The letter cannot in itself be considered a sharpening of Soviet accusations against the Americans. What is significant is that the Russians have published the text both here and in Washington.

Normally the Russians are extremely punctilious in matters of diplomatic protocol and are reluctant to engage in diplomacy through the media. But they clearly were angered by leaks in Washington of Mr. Haig's warnings to them over Poland and his earlier public accusations over Soviet behaviour around the globe.

Publication of the letter can therefore be taken as a sign that the Russians do not believe that open diplomacy is real diplomacy and that they now believe they have little hope of serious negotiation with the Americans and have nothing to lose by making public the text of their reply to Mr. Haig.

Development corporation supports 50 projects
Commonwealth helps Caribbean

This is the last in a series of articles examining the work of the Commonwealth Development Corporation.

By Charles Douglas-Horne

The total commitments of the Commonwealth Development Corporation (CDC) in the Caribbean region amount to £51m spread through 14 countries and nearly 50 individual projects.

The CDC regional office is in Barbados and there are projects in hand in Belize, Honduras, Antigua, Costa Rica, Dominica, Grenada, Guyana, Jamaica, Montserrat, St Kitts, St Lucia, St Vincent, Trinidad and Tobago.

When the CDC first started to operate in the Caribbean it was faced with the difficulty of finding adequate resources to be developed. Tourism seemed to be the obvious choice to make use of the region's basic endowment of climate. The CDC therefore initiated several investments in tourist complexes, though most of these have now been shelved as the growth of tourism has increased.

The second basic development was to provide electricity

and housing for the peoples on the islands. The CDC became sole shareholder in seven or eight electricity supply companies, providing both funds and expertise to create proper grids, where before there had been only rudimentary power systems run by the local public works departments.

Now the CDC is seeking to diversify itself of many of those shareholders but the local governments are reluctant to buy out the CDC because they might then be solely responsible for keeping electricity charges in line with costs.

In the housing field the CDC set up joint organisations with governments to provide housing finance for lower middle income groups, first on the islands and now both in Honduras and Costa Rica. Finance for such long term projects would have been elusive but the CDC was able to influence both the cost of the houses and the cost of mortgages by insisting on modifications to the programme before it granted contracts to builders.

Having set up those schemes for basic development, the CDC has been searching more widely

for agricultural opportunities. In St Lucia a model farm has been set up and the company intends to purchase large banana estates on which some 200 smallholders will be settled growing bananas, citrus and other crops. A similar scheme which has been successfully applied by the CDC all round the world. There are also plans to take over sugar estates on the same basis and operate them like those in Swaziland.

Although other schemes operate in the Caribbean, economic conditions are tenuous for all the islands there except in Jamaica, Trinidad and Guyana on the mainland. The rest will find it hard to develop economically far from a quasi-subsistence future, where basic needs such as food, housing and power are met, but communications make it hard to operate successfully with export-based industries.

In the environment the CDC feels that it has a vital role to play compensating for the absence of genuine commercial funds looking for profitable investments. However, even in the Caribbean the CDC is obliged to produce a return on its investment, and does so.

Prague rebuked for assault on attaché

By David Spanier
Diplomatic Correspondent

Prague has made a serious protest to the Czechoslovak Government over an incident in which police used tear gas against a British diplomat in Prague, forcibly removed him from his car and smashed a window.

The Czechs' initial response to the British protest has not been encouraging, it is understood.

There have, in fact, been similar incidents of surveillance and harassment of Western service personnel recently.

The British Ambassador in Prague protested the day after the assault on the air attaché.

Wing Commander Oliver Knight, the air attaché, was driving with a Canadian colleague near the town of Labor on February 4, when the police intervened. He was engaged in his normal touring duties, for which special clearance is not required.

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THE ARTS

Cassavetes's caustic view of life in the States

Gloria (AA)
Columbia
Prostitute (X)
Screen on the Green/
Cinecenta
Little Lord Fauntleroy
(U)
Classic, Haymarket
More American
Graffiti (AA)
Plaza
The Cat and the
Canary (AA)
Odeon, Kensington
The Devil and
Max Devlin (A)
Rialto

The Ninth
Configuration (X)
Odeon

St. Martin's Lane

An Italian-American family is about to be murdered. At the moment the six-year-old son is headed to Gloria, a reluctant baby-sitter. When the family is shot dead, the Mafia one hunting for the boy, against her better judgment, Gloria revives her maternal feelings and goes on the run. This is the cure of Gloria, a thriller too engrossing to ditch in comfort and a film which moves the anti-commercial directional career of John Cassavetes away from the fording confusion of his last, *The Killing of a Chinese Bookie*. In Gloria Cassavetes takes a caustic view of life in the United States.

It is a land where organized crime does as it likes. The rules of law and order are to be trusted. The Mafia reads a parallel web of authority and demands even more valiantly than legitimate business. There is no room for dissent and those who try to buck a system are swiftly executed. Children are punished for their parents' crimes. The power of the film stems from Gena Rowlands as Gloria. Encouraged by Cassavetes to extemporize, she adopts a mood of desperate realism, playing up the toughness of a woman whose better nature demands that she save the skin of a dislikable boy, played with unappealing blankness by John Adames. Miss Rowlands' performance is rich and confident, unflinching in its intelligence, unstinting in its conviction.

The longer the fugitives hold out against their lethal pursuers, the more the film becomes fantasy, ending with a scene of irritating ambiguity. Cassavetes turns the thriller into a moral fable, accusing those who shun action of condoning the crimes of the status quo. Women who put themselves outside the law and cannot rely upon police protection are the subject of Tony Garnett's directorial debut, *Prostitute*. Previously Garnett has collaborated with Ken Loach on films like *Kes* and *Law and Order*, using extemporized acting and a pseudo-documentary style to humanize social and political issues. Garnett has returned to his home town, Birmingham, and, working with a cast of actors and prostitutes, has aimed to raise the level of public debate about prostitution by providing some facts. Prostitution is not illegal in Britain but the act of soliciting is. Those who have been cautioned by the police three times may be introduced in court as a "common prostitute", which campaigners for reform consider to be prejudicial. There is no special pleading. It is enough for Garnett and those who helped him, who included members of the programme for the reform of the law on soliciting, to show prostitutes as ordinary, vulnerable women playing a distasteful and sometimes dangerous trade. They claim that because of this link with criminality and the hysteria which surrounds sexual matters, prostitutes have been deprived of common justice and often become victims of police harassment. Mary Pickford played the original Little Lord Fauntleroy in 1922, dressing up in drag to act Frances Hodgson Burnett's boy who is really a British earl. In 1936 the film was remade with Freddie Bartholomew in the title role. Both films are hard to follow, but Jack Gold's *Little Lord Fauntleroy*, set in Belvoir Castle, is a good enough not to attract comparison. Alec Guinness's central performance as the crabby grandfather who hears the news of his young aristocrat's general nature is a major strength. And Ricky Shroder, as the boy, deserves credit for subduing the incessant chirpiness which marred his first outing, in *Francis*. Zeffirelli's remake of *The Christmas* supporting cast is thoroughly sound, too, led by a humorously republican Colin Blakely and a soft and understated Connie Booth. But the triumph belongs to Jack Gold and he deserves it, particularly after the shabby television premiere granted to *The Sailor's Return*, a film which needed a large screen for a fair showing. There are minor irritants, like the glamorous slum and perpetual old-fashioned looks between servants. Gold's achievement, however, is to make a thoroughly enjoyable family film at a time when no one else seems capable of it. Eight years ago George Lucas made *American Graffiti*, a loud, energetic celebration of cruising around in cars in 1962 America. Lucas is the executive producer of *More American Graffiti*, directed by B. W. L. Norton,

much as he abdicated from directing the sequel to *Star Wars*.

The same characters (still played by Candy Clark, Paul Le Mat, Charles Martin Smith, but without Richard Dreyfuss) are followed through the Sixties of campus revolts, hippies, drugs, Vietnam, draft-dodging and good music until 1968. But Norton has little success in involving premature nostalgia as he fails to authentically revive the time. The rare nudges to the memory come mostly through the music, which is needlessly kept in the background. What is more, to overcome the lurches forward and back from one year to another, he attempts to make things clearer by changing the screen size. Nineteen-sixty-four is in Panavision. Vietnam is blown-up 16mm. Scenes to do with psychedelia use an intrusive split screen. The result is confusion. The theatre favourite of the Thirties, the whodunit, is resurrected by *Radley Metzger's The Cat and the Canary*, from John Willard's

play. Honor Blackman, Edward Fox, Wendy Hiller, Daniel Massey and others are billeted in an empty country house during a thunder storm to hear a 20-year-old will read from beyond the grave by a monochrome Wilfrid Hyde White on a home movie. During the night they are murdered one by one. It is a dawdling and less suspenseful attempt to ape René Clair's 1945 *And Then There Were None*. The notion of a reprieve from death has generated some splendid films, including Michael Powell's *Between Heaven and Hell* and Warren Beatty's remake of Ernst Lubitsch's *Heaven Can Wait*. The idea returns in a Walt Disney lecture on talking to strangers, *The Devil and Max Devlin*, directed by Steven Hilliard Stern. Elliott Gould walks through as the man who is exorcised level four of hell—horrible—if he will recruit three children to the Satanic cause, and he almost lifts it out of his moralistic mire, Bill Cosby, as a black angel, is

gives way to an exploration of artistic freedom. Bela's mission is to speak the truth: where can he do it? The play follows his long pilgrimage through the Russia of the New Economic Policy and the 1930s and his wartime emigration to England, where he blossoms under the name of "Vera" for a mass circulation daily before being supplanted in the 1970s by a new boy who can make the proprietor laugh. So far as the English scenes are concerned, "Vera" seems to be based on Vicky and Donald Zec—whose famous wartime cartoon "The Price of petrol has been increased by one penny: official" supplies his main conflict with British officialdom. The key Russian scene shows him being grilled by a nervously polite committee at the Writers' and Artists' Union and consenting to tear up a cartoon making fun of Lenin. Neither scene does much to support the idea of ferocious state censorship implied in Paul Frost's last scene of the grimly suspicious artist; and it is left to Gerald Scarfe's brilliantly horrendous back projections to convey just what the truth is that he is so keen to impart.

every joke "did you get it?" The highlight of his routines was the presentation of a dog that would walk off when Mr Goodwin began singing. Not, I would imagine, a difficult trick. The strength of variety has always been the possibility of one good act following another, and several good acts taking heart off the bad ones. John Redgrave's staging aimed at that traditional balance, with Bobby D'Avro, a likeable impressionist whose mimicry failed to make much of an impression, followed by the Great Vovv, an illusionist who saved a woman in half. Both could have better nights. But twice, in two and a half hours, the cavilling stopped. The first time was for the pointed and precise tap-dancing of the Clark Brothers, shining in their professionalism, and the second time was for the young, witty show-stopping pair of jugglers, Dr Hor and Neon. Variety could fill the beautiful Phoenix Theatre if all the acts had the skill and imagination of those two.

There is more to their marriage than shimmering frustration, however, and Mr Weller's very funny writing is incisive in exploring the whole relationship. They may come to no clear understanding of the reasons for their fight, but the audience can see the desperation that holds the two together, that makes them cling together in a constant fear of intruders, even if the intruders happen to be close friends.

Kevin McNally and Kathryn Pogson give well-rounded performances, conscious of the conversational gains that must be played if emotions are not to rule. They each recognize the delightfully absurd quality of their quarrel, and give full play to the comic lines, but Mr McNally goes further, opening up for one raw moment of pain before plastering the rift over with words of equally real affection.

Theatre

The cartoonist and the censor

No End of Blame
Oxford

Irving Wardle

"Important art," says Howard Barker's cartoonist hero, "is about us. Great art is about me... I hate pain: give me ink." By selective reference you could say that *No End of Blame* (expanded from a banned television play) explores this contrast through the careers of two Hungarian artists, from their wartime experiences in 1918 to their last meeting in a London mental hospital 55 years later. Barker's plays, however, do not yield to neat summary: and even in the opening scene—a battlefield life class—you have to adjust your sympathies in three directions. Grigor (the fine artist) is avidly sketching a terrified nude girl who escapes when Bela (the hero) advances on the model intending to rape her. Thereafter we get one scene in the Budapest Institute of Fine Art, and the painter drops out of the picture leaving Bela in some command of the play; and the cartoon-fine art theme

Variety

Phoenix

Ned Chaillet

First impressions can be damning, but a rude clerk in the box office seemed determined to supply a nasty taste to the opening of the Phoenix Theatre's new venture in West End variety. The ugly curtain saying *That's Showbiz!* did nothing to reassure one and the first few notes of the overture emphasized a drummer who sounded as though he had been recruited from a Soho strip joint. When the Phoenix Dancers clumped on, with four men seemingly uninterested in dancing with each other, or with the women dancers, it began to look as if the show's title could be changed to "That's Tacky!" Ken Goodwin, the show's principal comedian, continued that tone when he swallowed his punchlines or covered them with his own laughter. By the middle of the show he was asking anxiously after nearly

At Home
Riverside Studios

Ned Chaillet

Michael Weller is such an overtly American playwright in his tone of voice and comic rhythms that it is easy to forget his early close ties to the British Theatre. His last full-length play, *Loose Ends* is a 10-year leap in the chronology of his generation which he began with the play *Canter at the Royal Court* in 1970, and it is overdue for an airing in London. Walter Donohue's lunchtime production of *At Home* works rather as a trailer for that larger play, displaying Mr Weller's fine skills of characterization through prickly conversation. They are skills which keep the surface of his plays alive with a twitchy naturalism, exploiting the tendency of people to round the issues which trouble them. The two characters in *At Home* are a married couple, still sore from a trivial skirmish over the said bowl where they have

Telemann and all his pleasures

Barlow Baroque
Players
Purcell Room

Stanley Sadie

Georg Philipp Telemann, the centenary of whose birth falls next month, must qualify as the most ingenious, most energetic composer of his age. His output was vast, and besides composing he taught, he played, he theorized, he organized concerts, he engraved music, he edited a monthly journal, he investigated folk songs, and in his spare time he seems to have pursued an interest in botany. No wonder, perhaps, that his music is not of the profoundest. It rarely sounds as if it took long in gestation or was the product of deep or hard thinking. But it is unfailingly fluent, neatly and efficiently written, brimful of ideas, and immensely characteristic. Wednesday's celebration of him by the Barlow Baroque Players offered a selection of his chamber music, some of it Italianate, some of it Frenchified, some of it pure United Nations, and all of it instantly recognizable as his. His national disguises never concealed much of the real man. The Barlow players did not much characterize the music,

and the pieces that worked the best were those with long, cantabile Italian lines, in particular the two trios. One in E major, with its flute and recorder, seemed especially inventive, with its broad melodies and its closely imitative writing, the melody instruments sometimes following one another, sometimes diverging just enough to intrigue the ear. One in E major, would-be Corellian in style, but still unmistakably Telemann, started charmingly with the line elegantly passing from violin to flute and back, again imitations with subtle differences. The quick movements here, however, were so dully played that no amount of Telemann ingenuity could bring them to life: in the gigue finale, for example, Mr Barlow and his colleagues got through without so much as raising their eyes from the music. No wonder the effect was lethargic. In No 10 of the Paris Quartets, music demanding careful, stylish shaping, especially if it is to sound as all French, the routine interpretation drained its grace and character. Telemann's enterprise, his wit, his cheerfulness never flagged; after all, much of his music was designed for amateur recreation. But it would have profited from a more assured instrumental command, more attentive musicianship.

THE RETURN OF ONE OF THE SCREEN'S TRUE CLASSICS!

Wuthering Heights

FROM GATE TWO GATE MAY FAIR

THURSDAY

Musical in-fighting in USA

There are few better ways to stir up a cauldron of controversy in New York musical life than to schedule a conference to discuss contemporary American music. Invited to a panel of composers, performers and teachers to attend and speak, a conference has just been held, at the 92nd Street Young Men's/Young Women's Hebrew Association, and, presumably, at least on the first day of the crowded session, before a musical businessmen took over the second-day panels. American contemporary music is a richer arena for debates than other native products simply because it is far more various. Any musical culture has its infighting among competing composers and their hordes, but only in the United States does this rivalry extend beyond the bounds of what is considered "serious" or "classical" music. Up to about thirty years ago, it was accepted that music worthy of serious discussion as an art form was the work of composers to write in the European tradition. But recently this marcation has been subject to erosion.

Jazz, of course, was the first non-art music to be examined, but more recently the work of certain Tin Pan Alley composers and, latterly that of composers whose work is influenced by their more "serious" brethren has come under critical scrutiny and probation. This has led to a severe discomfiture of many traditional composers and critics, who see these usics as lesser in stature and value in any ultimate musical portance. The battleground was established by the first paper to be read. It was a tempered

defence, by the composer George Rochberg, of what has been termed the "neo-romantic" music of greater aural, and therefore, aesthetic, accessibility. He included veiled attack on earlier (almost certainly serial) music—which he himself once wrote—and this brought an instant response from the traditionalist composer Hugo Weisgall, who produced a dissenting Rochberg's paper with a liberal dose of vitriol. Both positions were disdainfully rejected by a speaker from the audience, the composer-critic Gregory Sandow, who referred to both as members of an "uptown tribe" which had little relation to and less influence on the more important work of "downtown" experimental groups, which by inference included the composers Philip Glass, Steve Reich and many others.

The composer Jacob Druckman, on the panel, registered his discomfiture (he later confessed to be suffering from a hangover) by lambasting the NYMA for spending money for a talkathon rather than for performances of music, and said that Elliott Carter had told him he was not present because "I only expected to see music is played." This event though Carter's early Cello Sonata had been programmed the night before by Yo-Yo Ma. The usual feminist speaker (from the floor) delivered the male proceedings, although in a second panel a token woman composer (Joan Tower) had been included. Steve Reich's thoughtful and well-expressed second paper seemed to cool tempers, although here the box-office-is-king point of view of Isaac Stern contrasted with the art-is-king point of view of

several others. Samuel Lipman, pianist, critic for Norman Podhoretz's magazine *Commentary* and a person whose musical tastes are widely thought to be representative of the philosophy of the current Washington administration, gave a reasoned appraisal of America's musical past, focusing on composers born in a 30-year period from 1880, such as Hanson, Sessions, Barber, Thomson and Copland. Martin Mayer immediately substituted George Gershwin and Duke Ellington (to applause), and Joan Peyser, editor of *The Musical Quarterly*, added her endorsement of these non-high art figures. Lipman defended his elitist viewpoint, seconded by the ubiquitous Weisgall, and was in turn attacked from the floor by someone who maintained that the panel was irrelevant because these composers were names out of a history book, not part of today's music, and who in any case did not write their best music before he was born. Lipman observed that his adversary's birthdate did not bulk large in musical history. Verbal duels finally gave way to music in the evening, for a concert of American works performed by the Y Chamber Symphony under its conductor Gerard Schwarz. The highlights of the music were a transcription, by Schwarz, of a string orchestra of an early, neo-classic string quartet by Harold Schapero, and a marvellously virtuosic and winning trumpet concerto by Gunther Schuller. Although Schwarz—a distinguished trumpeter—also the concerto was played brilliantly by his protégé Stephen Burns.

Patrick J. Smith

Books

The anarchic fabulist

The fable is such an attractive and economical literary form—packed, with an explicit moral self-contained—that it is surprising it is tried so seldom. It is probably harder than it looks: yet Arnold Lobel, the latest fable-monger, has just achieved a substantial success. He has just been awarded the Caldecott Medal, one of the two leading awards for writers of children's books.

Harper and Row are reprinting his collection of 20 tales, called simply *Fables*, although their autumn run of 50,000 was in itself an ambitious printing for a children's hardback. Jonathan Cape published the book in Britain last year. Lobel is a middle-aged illustrator from Brooklyn best known for his "frog and toad" series for younger children. *Fables* happened by accident. He was asked to do the pictures for a new edition of Aesop but, after rereading those fables decided he would prefer to make up his own.

The morals are on the face of it a curious mixture. Some of them are highly well, and mighty who have the longest distance to fall, and "a first failure may prepare the way for later success" and "it is always difficult to pose as something that one is not."

Yet others seem frankly anarchic, encouraging in children behaviour that adults have traditionally preferred them to suppress. "Without a doubt, there is such a thing as too much order," declares the first tale, about a crocodile who so prefers the neat flower pattern of his wallpaper to the bushy flowers in his garden that he stays indoors in bed and becomes ill.

Parents who try to get their children to keep their rooms tidy—an American cultural obsession—will scarcely welcome that message. Nor will they be pleased with the story about a kangaroo who plays pranks in school: when the head teacher complains the parents play pranks on him. (Moral: "A child's conduct will reflect the way of his parents.") When I raised with him this apparent inconsistency of tone, Mr Lobel replied disarmingly: "I'm a little confused myself. The morals weren't at first supposed to be there. But it was like not dropping the other shoe not to have them—like music when you miss the final beat."

Fables used to be cautionary tales to teach us how to behave. I didn't think they could any longer serve that function so I tried to make the morals not really serious. I'm almost sorry I did put them in. Everyone seems to

like the stories and the controversy seems to lie with the morals."

Whether you agree with them or not, the morals and tales should provide rich material for social historians of the future. They are packed with clues to modern American attitudes.

Satisfaction may come to those who please themselves: Lobel declares the moral at the end of a story about a camel who becomes a baller dancer admired only by herself. This could be the motto of the "me" generation: self-satisfaction is paramount.

A similar idea infuses the most delightful of all the fables, about an ostrich who spends a week wooing a beautiful female in his imagination but never actually plucks up the courage to introduce himself to her. It was a well-spent week nevertheless. "Love can be its own reward."

Although Lobel writes and draws only for children, he does not consciously think of his audience when he works. "I don't think children, I think me," he said.

"They're about my neuroses, obsessions and compulsions, which turn out to be childish. They're really about this cranky, middle-aged man that I am."

Does he find, for instance, that in his life there is too much order? "I'm a very ordered person," he explained. "Only a truly ordered person can know how destructive an organization can be, how like death it can be."

"Too much of anything can lead to regret. That's the moral of the one about the hippopotamus." (He eats too much and cannot get up from the table.) "The overriding moral is moderation in all things." But what about the prank-playing kangaroo? "That's a story about family love, the closeness of family ties."

Lobel's own children are now 21 and 25 and he finds it harder to write for youngsters now that he has none at home. "Did you know that A. A. Milne only wrote the Winnie the Pooh books when Christopher was the same age as he is in the book? When Christopher grew up Milne went back to writing for adults."

That may explain why *Fables* seems as popular with grown-ups as with children. It has led reviewers to compare Lobel with the other fable-writers—Aesop, La Fontaine and James Thurber, who wrote chiefly for adults. The comparisons irritate him.

"You don't compare anyone who writes a play with everyone else who writes a play," he points out. That could almost be a moral for another fable.

Michael Leapman

BBC SO/Dorati

Festival Hall

William Mann

In this golden jubilee season for the BBC Symphony Orchestra, the conductorship of South Bank concerts is shared between present and past incumbents. So it was that Wednesday's conductor was Antal Dorati who guided the BBCSO through a delightful Spring Symphony, which gave the audience a rare opportunity for admiration of the BBC Singers and Symphony Chorus, both in splendid fettle these days.

Not much has been heard of *The Plague* in the meanwhile. Albert Camus's symbolic horror story is, alas, no less topical now than 17 years ago; as the medico-narrator remarks, towards the end, "the plague bacillus never dies, it can lie dormant for years and bid its time". Gerhardt's musical setting has surely grown more approachable, the violent music still exciting, the writing for percussion no less brilliant and imaginative.

The flat narrative style of the text did not help the composer to explore, as he plainly desired, the wider implications of the disaster. The plague chorus in the middle, and the shouts of joy at the end, should convey a massive effect, but in this performance the music sounded scrappy, like the factual opening. The narrative for speaker, soberly delivered by Michael Rippon, seems to keep the musical commentary too much at bay. Yet, at almost any moment, there is some masterly musical idea to engage the attention, and the whole makes a sobering experience. Ultimately I shall wait for a conductor who will cause the music to blaze.

The performance of Britten's *Spring Symphony* was blessed with appreciative soloists. Sheila Armstrong savoured the celebration of the "happy, dirty, driving-boy", lifted each of her bird-calls, in *Spring*, the sweet Spring, with a special expertly sive tone, and danced robustly with Anthony Rolfe-Johnson in "Fair and Fair". He was particularly persuasive in the gentle lyrical music of "Waters Above", rather too restrained for "The Merry Cuckoo", or indeed the part of Master of Ceremonies in the finale, who must proclaim forthrightly.

Sarah Walker caught ideally the relaxed, faintly anxious, chiefly idyllic eloquence of "A Summer Night", surely the emotional centre of the work, and an exquisitely crafted song. Southend Boys Choir sang out excellently in "Fly Venus and phlebotomy" (arcane instruction), a strong match for the BBC choir. Dorati conducted a benevolent, watchful, unforced reading, very loyal, decently played, less effervescent than expected.

Michael Leapman

Geoffrey Smith

Can the Liberals patch an alliance?

'One of the curious features of the Liberal Party is that it has so many members who are not really interested in power'

The social democrats would not run where there is a Liberal MP and in the marginal seats where the Liberal came a good second.

But what are the prospects for such an arrangement in practice? One of the curious features of the Liberal Party is that it has so many members who are not really interested in power. Politics is either their form of public service or a rather agreeable activity to be conducted with like-minded people. There are others who are interested in power but only at local level. Liberals in these categories will not easily be induced to back a social democrat in their own constituencies so that the Liberal Party at Westminster will stand a better chance of gaining office.

None the less, opinion within the party has been moved by the thrill of recent polls. Attitudes vary in different parts of the country—probably most hostile to a pact in Yorkshire, more favourable in the South, though with London a possible exception. The general trend is towards more favourability towards Mr. Steel's chances of securing his cherished objective of an electoral agreement. But many a Liberal would display his prickles once again if the social democrats were suddenly to announce that they would contest a majority of seats at the next election, or if—which is not expected—they were to put up candidates for the county council elections in May, when the Liberals expect to do rather well.

Even if these perils are avoided there

is not the slightest chance of a detailed plan being agreed at national level to determine which seats each party will contest. Local autonomy in the Liberal Party is too strong for that. Much will depend on personalities and on where the Liberals already have a candidate in the field: at the latest count they have 234 and the number is increasing all the time. The most that can be expected is for the conditions to be created centrally that will encourage local deals to be done.

This limited objective would still require a somewhat complex courtship. There is no thought of fighting the election on a common manifesto, but Mr. Steel enumerated last week five policy priorities which the social democrats would have to accept. These would be incorporated in a declaration of intent that would have to be agreed before the summer recess if it was to be put to the Liberal conference in the autumn.

At this conference Mr. Steel will not put his leadership on the line: he has promised his parliamentary colleagues that he will not do so. He will have to rely on his powers of persuasion to get the declaration approved. But he has been remarkably successful up to now in dragging his party along the course that he has set and he is likely to have this support, or at least acquiescence, of the rest of the parliamentary party.

The chances are that he will once again get the backing of the conference,

but that will depend quite a bit on how much genuine cooperation there has been with the social democrats in the meantime. They are not likely to choke on any of Mr. Steel's policy priorities, which most of them seem to believe in as much as he does. But it is hoped that the declaration would also contain a commitment to campaign on each other's platforms in the election. Liberals will also be much influenced by whether the social democrats work together with them in Parliament once they have made the break from Labour.

In other words, the Liberals will be looking for evidence of a close working partnership which might bring about the realignment of British politics for nearly 20 years. But they are wary of simply acting as the midwife at the birth of a new Labour party. So they become suspicious every time they hear a social democrat claim to be the true inheritor of the Labour tradition.

This is understandable from the Liberal point of view, but it does not take account of the social democratic dilemma. How are they to keep the support of a good many traditional Labour supporters while breaking away from the party? If the social democrats cannot do that they will be politically dead, no matter how well they get on with the Liberals. If an alliance is to be formed, therefore, it must rest not only on policy agreement, which should not be too difficult, but also upon trust and tact which may prove more elusive.

An alliance should suit both sides. The chances are that something will be put together, probably not so much a pact as a patchwork quilt, more impressive in some places than in others. But how much comes of it will depend on how each side responds to the key question with which it is presented: the Liberals serious in the pursuit of power, with all the compromises that that must entail? And do the social democrats want the Liberals as more than an electoral convenience?

That old Titanic sinking feeling

New words and new meanings: an occasional series by Philip Howard

What with one thing and another, this may not be the most diplomatic moment to bring up the subject of the Titanic at New Printing House Square. But I think that there is evidence that our popular modern metaphor about the Titanic as the unsinkable that did the unthinkable has a hole below the water-line. I can find no contemporary evidence that the Titanic was regarded as virtually unsinkable until after she had sunk. With hindsight we have created the myth because it makes a more dramatic metaphor. The new potency and powerfully believe that the Titanic was hailed as unsinkable and the subject of much ballyhoo to that effect before her maiden and fatal voyage.

If so, one might ask why the Olympic did not have similar heartening claims made for it. It was almost identical to the Titanic, and had been in service for 10 months before the Titanic's maiden voyage. The Times, reporting the launch of the Olympic in 1911, called it the most powerful ship in the world. It was almost identical to the Titanic, and had been in service for 10 months before the Titanic's maiden voyage. The Times, reporting the launch of the Olympic in 1911, called it the most powerful ship in the world.

The launch of the Titanic, at that time the largest ship in the world, was reported in The Times on June 1, 1911. We remarked that she would be heavier than the Olympic when fitted out; but, being lighter at launch, she caused a small wave. When the Titanic sailed from Southampton on April 10, 1912, little attention was paid or comment made, other than short pieces about the luxury of the accommodation, the attractiveness of the sports facilities, and so on. Nobody was writing about unsinkability. There is a typical and, with hindsight, ironic example at the end of the leader in The Manchester Guardian of April 12. It is writing about the new arrangement of the promenade deck: 'On the upper deck, we can look through the windows and safely sheltered from contact with the outer air obtain a full view of the sea, so much appreciated by passengers. Let us be grateful for that provision.'

Only after the underwave spur of ice (from an iceberg that had probably recently overturned and was showing dark, silty water) was to swell to create ripples round it had ripped 300 feet out of the Titanic's starboard side, did the press start to write about invulnerability. The word unsinkable occurs for the first time in a leader in The Times a day after the disaster. The owners had done their best to make this sort of ship unsinkable.

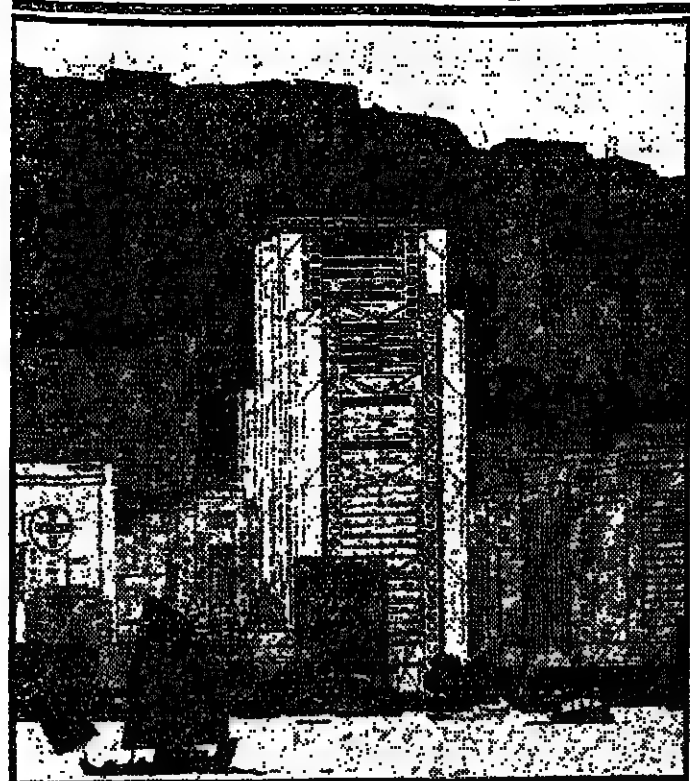
After the Titanic had gone down, the press and the inquiries resurrected the fact that she had been built higher than required by regulations then or now, with watertight compartments, as so on. There was also much resentment aroused by reports that greater efforts had been made to save the lives of the crew than of the passengers. The Herald claimed that 61 per cent of first-class passengers had been rescued, against 36 per cent second class and 23 per cent third class.

The pathos and horror of the disaster at once turned the Titanic into a dramatic metaphor for disastrous paradoxes. The question about the origin of the metaphor may seem like, we changing deckchairs on the Titanic. But it was only after the day after the disaster that the owners had done their best to make this sort of ship unsinkable.

One man came down the Lithuanian to present an American colleague with a bundle of documents, 10in thick, of views on détente, which wanted published in United States. 'I can't do that,' the journalist said. 'My paper does not even print all the speech of Jimmy Carter.' The man looked as though he had been punched in the face. 'I mean I don't have the right say what I want in the West either?' he asked in astonishment. 'Yes, in general you but you cannot insist on your views published in newspaper.' The man could not see the distinction. 'It is the same thing. The newspapers are stopping me saying what I want in the West well.'

Humanity and Western journalistic tradition dictate if you should at least listen sympathetically to those who tell a story to tell. But it is hard explain to Russians that they might as well tell it to wind for all the help you offer them. And too often, that is the case.

Michael Binyon



An artist's impression of the new Hongkong and Shanghai Banking Corporation headquarters.

Humanizing the tower office block

The new headquarters for the Hongkong and Shanghai Banking Corporation, revealed yesterday, will, when complete, be one of the world's most interesting (and possibly most expensive) commercial developments. As far as the bank is concerned the interest lies in the fact that their building will have a more efficient use of space than anything comparable.

The architects, Foster Associates, are British and won this gigantic commission in international competition against six other architectural firms, and the prime interest is to see what Foster is up to now (in these post-Sainsbury Centre days when everything has pediments in glass-reinforced plastic) and whether he has succeeded in his stated aim to 'humanize the tower office block'.

It is clear from the plans and models that the building is a development of the mainstream strand of high-tech architecture. That is to say that all techniques—whether industrial or constructional—are to be used to create the optimum building interior, and that the exterior will be the result of that. Being Foster the result will be good—a 41-storey tower of much greater interest and vitality than one normally gets in buildings of that scale.

What we shall not be getting is any truck with the current trend of miscelaneous post-modernism wherein it is believed that the exterior of a building has an independent existence and should be designed accordingly.

The building has three main elements: a structure of eight, huge four-legged steel pylons like something out of War of the Worlds; the office and banking accommodation, mainly glassed, which are slung between them, with horizontal blinds giving a screen-like effect; and the service towers, which include staircases and lifts, some of which will be clad in glass.

Still me, W, how did your chaps keep awake when they phone-tapped the Canadians?



It may sound muddled but the whole is an ordered vision. The useable space is at the centre, supported by steel pylons, while the lifts and services run up the outside. The building has many similarities with the Pompidou centre in Paris in the way it is organized. But whereas the Pompidou services are covered in wood these Hongkong services are dressed in the height of architectural chic.

The building will face the main ferry landing in Hong Kong, and thus be at the heart of the main commuter rush. The architects have devised one of the niftiest ways of attracting customers to a bank known to man as elevating the principal banking hall to the first floor, to allow the commuters to scurry underneath from the ferry whilst the offices. At the centre of the building is an atrium eight storeys high, glazed at each end. It is thus a very large space, but without the variety of some of the American atria in John Foreman's hotel complexes.

At intervals throughout the building's height there are major double height reception areas. These have double banks of escalators and those who are familiar with Foster's development for Willis and Fawcett in Ipswich will appreciate the concept. What is different here is that in addition to these double height escalated spaces, escalators are provided throughout the building. Instead of lifts being made the sole form of travel, they are instead limited to fast commuter travel—debouching at these four reception areas.

Staff and visitors are then directed to complete their journeys on these escalators. There seems to be evidence that this system gives a better security use of floor area and a far better social environment.

At various stages the building is stepped back to provide the necessary light angles for neighbouring buildings. Thus what begins as a three-bay building on the ground, has become a one-bay building by the time it reaches the helicopter pad at the apex.

The development size is more than one million square feet; its cost could reach hundreds of millions of pounds by the time it is fitted out with all necessary machinery. Despite that the programme is to have the building finished within four years.

Foster and his team must be congratulated for this splendid competition success, and his determination not simply to put up another block of steel and concrete but to create a building which is a masterpiece of modern architecture.

Charles McKean
Architectural Correspondent

Refloating a lost piece of Tudor history

The most ambitious and exciting project of its kind in the history of marine archaeology has passed the point of no return this month with the final decision to raise Henry VIII's flagship from the seabed and bring her ashore next year.

The Mary Rose, built in 1510 and enlarged in 1536, sank during a brush with the French in the Solent in 1545. The mud on which she has rested at an angle of 60 degrees ever since has preserved not only most of the hull in unprecedentedly good condition but also immense quantities of the personal effects of the 700 sailors and soldiers, nearly all of whom were down when the ship sank.

The discovery of the wreck in 1967 has proved to be an archaeological opportunity unique in both quality and quantity. It offers an unparalleled chance to find out about the way of life in England in the middle of the sixteenth century, including details of diet, clothing, craftsmanship, work, leisure and weaponry.

So in 1978 the Mary Rose Trust was formed with the aim of clearing the silt from the wreck, bringing it all manner of relics and then lifting the hull bodily and bringing it ashore by pontoon and ramp to form the centrepiece of a museum to be built for the purpose.

The President of the Trust is Prince Charles, who will be guest of honour at a reception in London on Tuesday to help raise the balance of the £3m needed to bring the ship ashore, and put a roof over it. The Prince has been a regular visitor to the site since he was 16, and has been seriously enough to join the hundreds of volunteers in diving on the wreck to see it for himself.

This month's decision to go ahead with less than half the money raised is a bold one, but the results produced by the Trust's staff so far are already enough to justify the effort. They can be seen in an old bonded store in Portsmouth, now converted into offices and workshops full of

water-tanks, cisterns, bathtubs and polythene parcels.

The Mary Rose may be a very old ship, but the methods in use to salvage the history she encapsulates are impressively modern. The technique of freeze-drying, for example, used to preserve relics adapted from the latest instant-food technology. Delicate medical instruments have been used to probe cavities never dreamed of by their inventors; including the bowels of cannon.

The 23 full-time staff are enthusiasts to a man and woman. The principal fundraiser and financial controller, for instance, threw up a successful (and much better paid) career as a senior executive at Marks and Spencer.

He is Mr Ian Dahl, who at 36 is coming as close as he ever will to his frustrated youthful ambition of being a naval officer by finding the slivers of war for this unique salvage operation. 'I could soon join the Navy because I am colour-blind and short-sighted,' he said. 'Even after 14 years in a good career with a very good employer, I jumped at the chance to come here and moved in a new way.'

In six months in the job, Mr Dahl has succeeded in finding American financial support, and his next target is Europe. Already his horizons extend beyond the greatest project of his kind to the defence of the Realm—museum-consisting of exhibitions all over the Portsmouth area, including not only the Mary Rose and HMS Victory but many other historic ships and artefacts.

The archaeological director is Mrs Margaret Rule, aged 50. She estimates that she has now made up to 800 dives on the wreck as part of her work of recovering the ship's remains. 'Underwater you get a complete social cross-section which you don't normally get on a land site.'

The remains of cockroaches, seeds and food tell you a lot about what they used to eat in those days.



Mrs Margaret Rule and Deborah Fulford examine a bronze cannon from the Mary Rose.

The Mary Rose is not so much a time-capsule as a frozen moment of history. Everything we have brought up so far comes from the upper levels of the wreck; it is entirely possible that we may even come across documents, which would be a fantastic find.

Chests containing clothes in remarkable condition had already been found and there was no reason why there should not be more such recoveries whose contents would include papers. One of Mrs Rule's worries is that there may be so many other worthwhile objects to be found that the recovery programme may be slowed down far from breaking valuable items.

The Mary Rose is important not merely because of her state of preservation but also because she represents a watershed in naval strategy. She was one of the very first ships built as a warship, and also one of the first capable of firing broadsides. With her lines of cannon below deck she is an early ancestor of the ship of the line and thus of her future near-neighbour, HMS Victory.

She sank a mile offshore within sight of Henry VIII, probably as the result of a design fault. It is thought likely that her gun-ports were open and that she shipped a fatal quantity of water through them as she heeled over while manoeuvring against the French, whose claim to have

sunk her by gunfire is natural but dubious.

Her original displacement was 600 tons, remarkable in itself for the period, but she reached 700 tons after conversions. She had a mixed armament of 91 guns and a normal complement of 415 men, including 185 archers and pikemen. On July 19, 1545, she was the flagship of Vice-Admiral Sir George Carew, commanded by Captain Roger Grenville, and is thought to have had 700 aboard when she went down. Many of them will have been found by the time she comes up again to make a naval exhibit unique in the world.

Dan van der Vat

MOSCOW DIARY

My office phone rings. 'Is that the newspaper Times?' a voice asks rather guardedly. I say it is. 'I have to talk to you. I have something very important to say. We must meet.' I demur and ask what he would like to talk about. 'I cannot tell you now, but it is vital your readers know about this. Where will you meet me?'

There seems to be no escape. Okay then, I reply. I will be down on the street outside a certain shop at about 12.00. I am tall and will be wearing a brown coat.

It looks like being yet another wild goose chase. I go down to the street, and there is a young man in jeans with a fur hat, padded coat and the inevitable battered briefcase, standing looking around. After exchanging glances once or twice he comes up and asks if I am the correspondent he is waiting for, and then as we walk round the block he starts his story.

Thus begin dozens of sad accounts of personal tragedy, injustice and bureaucratic bloody-mindedness. The person in question has typically com-

plained about some unfairness at work, quarrelled with his boss, created a scandal or tried to organize a petition and then lost his job. He has carried on with his campaign, and has been warned by the KGB to drop the matter. He has refused, and has been told he will not get another job. So he resolves to emigrate, only to find that the visa office will not consider his application.

In the end he decides to seek out a western correspondent and tell him all about it, with a sheaf of documents to prove his point. 'I know you people are interested in dissidents and can help them,' is the usual line.

I find these cases disturbing because they are based on fundamental misunderstanding of the job of western correspondents. We are not here as campaigners for any cause, good or bad. Dissidents are not *per se* of interest. Not everyone who has suffered some injustice needs to have his story related in the western press. There is no time, and frequently the case does not illustrate any important point about the Soviet Union—other than that the

system is inflexible and vengeful to those who attempt to challenge it.

Finally, of course, there is nothing usually a western correspondent can do: he cannot lobby embassies, take letters, act as an intermediary or confront the authorities with the case.

He can, of course, write about it, and the authorities in recent years have hesitated to act against people whose names and aims are widely familiar in the West. But publicity is not necessarily a protection, especially for people whose misfortunes do not represent any principle arousing concern in the West. It illustrates questions of principle.

Soviet citizens who call up western correspondents are either very brave or very naive. Almost every Russian is convinced, with good reason, that the phones are tapped. It is a mystery where they get the number: no telephone book has been published in Moscow for years, and the rare copies of the official list of Moscow's offices and business numbers do not list embassies or foreigners' numbers. You

will not be told such numbers if you ask telephone enquiries or at the public information kiosks.

There is one old man who phones me regularly—usually at eight on a Sunday morning, bless him—to talk about his troubles. He was once a children's writer, and is much concerned that his stories have not been published abroad. Now and then he wants to know whether you could find him a publisher, but his usual complaints are about his neighbours, his flat, his unanswered petitions to Brezhnev and the central committee, his illnesses and so on. You can lay the recorder down, make yourself a cup of coffee, and return to find him still talking. One colleague punched an entire story on the telex without the old man drawing breath.

Another man, a former architect and restorer, has phoned virtually every correspondent in Moscow, and it is only after we have compared notes that we have found his initially plausible and interesting accounts of the persecution of the Tolstoy Vegetarian Foundation, the restoration of the Armenian 'embassy' in

Moscow, or the saga of the Bolshoi Theatre are less reliable than they appear.

Some of those I have met are frankly odd. 'I was a KGB agent,' a big man with a beard once said, beginning his history, and he told me about all the people he had been required to make love to during the course of his duties. Every so often we had to make a detour to avoid a large building where he believed microphones were installed in the outside walls.

You invariably have to meet those who phone on the street. Police guard the entrance way to every block where foreigners live, and any Soviet citizen who wanders in without an official invitation will be stopped and asked his business.

But meeting unknown people has its problems. One man told me he was short, wearing jeans and a cap in carrying a case. I went down to the appointed trysting place, to see his figure disappearing into the shop. I followed, sidled up to him and asked: 'You phoned me?' He gave a look of horror and astonishment and quickly

backed away. I went out of the shop, and there was another short man wearing jeans and a cap and carrying a case.

One colleague who promised to pass on a copy of some newspaper article agreed to meet a man in a brown coat carrying a newspaper in 15 minutes. He went down and gave the article to the grateful caller. Some months later he was introduced to a man who said he was the one who had called, and he had waited for a long time in vain for the journalist. Somebody else, it appeared, had overheard the arrangement and had been quicker off the mark.

Not all those who call up are cranks. Some have genuinely sad stories to tell—the translator and broadcaster from Moldavia, for example, who was sacked when his parents became Jehovah's Witnesses, and was told he would never be given a job again as long as his parents were alive. He was given an exit visa to Romania, where he had relations, but the Romanians would not accept him. He then applied to go to a west European country, but this time the Soviet authorities would not give him a visa.

'What am I to do,' he asked in despair, 'I'll kill my parents?' He came all the way to Moscow to seek help, and threatened to storm into the American embassy and stay there until allowed out. It took a lot of talking to persuade him that this would be fruitless, and the only thing to do was to persist in his application.

Recognizing those who have a publishable story to tell can be difficult. Usually it turns out that the man simply wants his name in the newspapers, thinking that this will help him emigrate. Two men came to a Western news agency last year, and one insisted that his companion had tried to reveal a colossal scandal in the Black Sea resort of Sochi involving top party officials, for which he had been dismissed and then threatened. Six months later a Soviet newspaper broke the sensational story that the mayor of Sochi and his associates had been jailed for 13 years for corruption.

One problem is that Russians have no conception of how the Western press operates, imagining it simply to be the reverse image of their own.

CHINA

China has entered 1981, the year of the cockerel in the traditional zodiac, in a peculiarly ambivalent mood. The sentences on Chairman Mao Tse-tung's widow and nine other people accused of counter-revolutionary activity have cleared the air somewhat, and the two-year suspension of the death sentence on her almost certainly means she will be spared execution and live out her life in prison.

This ambivalence from the growing tendency towards political expediency in many quarters shows that the Chinese leadership is still far from confident in its own policies. It is a sign of the humanizing mood which underlies many of the reforms of recent years.

There will, however, be no more in government and society circles who will feel that the sentences on Jiang Qing and the others were too lenient, and that their continued existence represents a threat to the authority of the leadership group around Vice-Chairman Deng Xiaoping.

In this sense it may be more difficult for Mr Deng to swing the country completely behind his bold and sweeping reforms, about which many people in positions of authority are worried because they depart so far from the teachings of Mao.

Others will criticise the sentences on the ground that the accused have been treated too stiffly, because they were once prominent leaders, whereas ordinary persons would have been executed for doing a hundredth of what Jiang Qing is accused of.

The common people have shown no sign of excitement at the sentences; they have been too busy preparing for the lunar new year festival which took place on February 4 and 5. Like the eastern Christmas, it is a time for frantic shopping, feasting and drinking and visiting relatives.

This year many people have something special to celebrate—the reunion of a married couple previously assigned to separate jobs in different parts of the country, the return of a son or daughter from the rural east, or the payment of compensation by the Government to people whose property was confiscated in a Cultural Revolution. This all good news for the city dwellers, but what of the peasants who make up 80 per cent of the population?

The new year is especially important to the peasants, when it is associated with the crop year and the end of many traditional religious or superstitious practices, by no means all of which are obsolete. The peasants can look for some satisfaction on a pair of strong arms.

In the cities, more and more young people see the chance of obtaining higher education, embarking on a career, or even starting a small business, which is no longer banned.

It is not surprising if some of the top generals and regional commanders have recently been showing signs of restiveness at Mr Deng's policies, from which they have not benefited. On the contrary, they have seen their spokesmen elbowed out by one out of the Politburo.

While reasserting its traditional control over the armed forces, the party leadership has also shown its prerogative of decision making in economic matters anywhere in China—by suddenly slashing big industrial construction projects and halting imports of most forms of foreign-made machinery and equipment.

Engineers and salesmen from Japan, Western Europe and North America are beginning to pack their bags, as work has come to a halt on numerous big industrial sites across the country. The idea is to enable the Politburo to take a fresh look at investment priorities and efficacy of equipment use.

Yet the Chinese economy is still fundamentally sound, being rooted in the soil, and still only marginally affected by economic trends in the developed world. The main problem caused by the cut-back in heavy industry will be the reemployment of the redundant workers.

Some workers will find employment in the textile and light industries, which are expanding fast. But the shadow of unemployment in the cities is lengthening as more school-leavers come on the job market, in addition to young people who have returned from the countryside.

The other big problem affecting all sectors of society is the growth of sullenness, cynicism and refusal to accept responsibility, caused by the political twists and turns, and the ups and downs, in the leadership, reversal of propaganda trends and so on. Chinese people are by nature industrious and enterprising, and it is astonishing how those qualities have been damped by three decades of socialism.

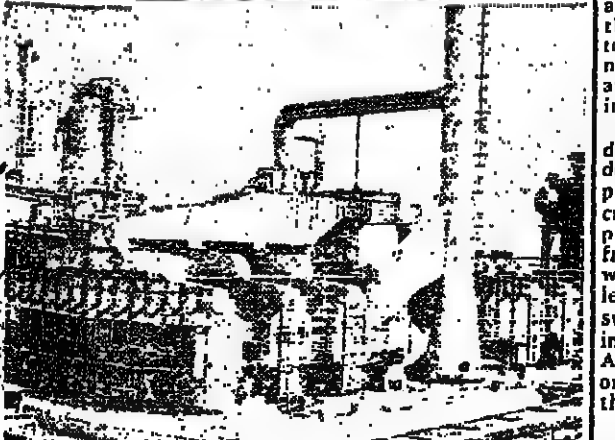
The party press inveighs daily against "going through the back door"—meaning corruption and nepotism. If China is to make the national recovery which has eluded it for a century and more, it will be through enlightened appeals to the self-interest of the mass of the people, who no longer believe in an earthly paradise to be built on the writings of Marx or Mao.

David Bonavia
author, *The Chinese*



photograph by Richard & Sally Greenhill

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Some tightening of screw likely

Politics and social reform is the keynote of the 1980s in China, as the policies of the post-Mao leadership are consolidated and translated into reality. Liberalization is the word of most of the reformers already declared, but there are certain key areas where the rights of the individual to free self-expression will not be measurably enhanced, and may even see a tightening of the screw.

The late Chairman Mao's definition of political freedom was the right to discuss public affairs openly, and to criticize other people in public. But under Mao these freedoms were relative, and were accorded only to the left-wing faction holding sway at any particular time in any part of the country. As Mao's widow, Jiang Qing, once said, "only the left has the right to rebel".

Expression of an opinion which Mao's group considered deviant or misjudged criticisms of one's superiors, could and often did bring personal disaster. Self-expression was actually suppressed more severely in Mao's later years than at any time in Chinese history.

The present leadership sees freedom of expression not as a goal in itself, but as a way of rationalizing social institutions through constructive criticism and, while high officials are expected to submit to criticism from the public, the people voicing it have their facts right and are prepared to carry their complaints all the way to the top.

Foreign news is dominated by up-to-date clips bought from the big western news agencies—a far cry from the year was a cook in an expensive Peking restaurant, who a few years ago, which was denounced the Minister of to end with the announce-

ment: "Here is a summary of tomorrow night's news". The favourite television series is an American production about espionage and sabotage in the Second World War. The Chinese cinema is also much livelier than before, with thrillers, comedies, romantic love stories and, above all, films denouncing the evils of the Cultural Revolution. The productions are stagey and stilted, but the enthusiasm over saying something new is unmistakable.

Problems of sex, especially the wedding night, have been dealt with sensitively but realistically in a special supplement to the national women's magazine, which sold in large numbers. Sometimes people go too far, in the eyes of the party, as in the case of a small printing shop which was turning an extra penny by printing copies of a Japanese zodiac which identified people with flowers rather than with constellations. It was in great demand until printing was stopped by the authorities.

Trivial much of this certainly is, but it takes years of being deprived of trivia to make people realize how much it contributes to the colour and interest of their lives.

On a more serious level, the party has reinstituted local government elections, and there is often a choice of candidates, though not always. The leaders have declared frequently that they want to see a real separation of functions between local governments and the party committees.

The party plans to opt out of day-to-day administration, and concentrate instead on general matters of policy, continued on page 11



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مكتبة الأصل

Purge of leftists reaches culmination

Leadership

Somewhat contrary to the wishes of his leaders, the past year has shown that in China politics still rules all. The principal event of recent months has been the trial of Jiang Qing, chairman Mao Tse-tung's widow, and nine other people, on charges of counter-revolutionary activity, including, in the case of some defendants, an attempt to assassinate Mao himself.

The trial, proclaimed as an example of the new legal code introduced last year, was run as a political show-piece, with incessant prejudicial comments in the national media, and minimal opportunities for the accused to defend themselves.

The other important event has been the removal of Mr. Hua Guofeng from his post as Chairman of the Communist Party, a move which has yet to be formalized but which is regarded as almost certain. Mr. Hua's enforced resignation is the culmination of the process of ridding the leadership of residual left-wing influence from the Mao era, and has been masterminded by Mr. Deng Xiaoping, the Vice-Chairman and the country's leading strongman.

The ousting of Mr. Hua has been only the most notable incident in Mr. Deng's long drawn-out purge of leftists, and these thought they could line up with them to oppose Mr. Deng's increasingly violent assault on Mao and his ideas.

Most prominent in the Deng group are Mr. Hu Yaobang, appointed Secretary-General of the party last year, and Mr. Zhao Ziyang, who took over the post of Prime Minister from Mr. Hua after a meteoric rise from provincial officialdom.

Mr. Hu is widely rumoured to be about to succeed Mr. Hua as chairman, but there have been other reports suggesting that the chairmanship may be abolished altogether, thus returning the party to the mould of the ruling parties of East Europe. In either case, Mr. Hu would nominally be head of the party, though he would still be subordinate to Mr. Deng in all practical matters. Yet another version has it that Mr. Hua will not become a focus of opposition to Mr. Deng.

Marshal Ye has become increasingly alienated from Mr. Deng because of his defence of Mao's reputation, at any rate his refusal to see it pulled apart as much as some would like. Still exercising moral influence in the People's Liberation Army, Mr. Ye is believed to have tried to keep Mr. Hua in office as a counter-weight to Mr. Deng, and as the symbol of the continuity of policy since Mao's death in 1976.

Mr. Li and Mr. Chen, both veteran economic planners and administrators, are believed to be in favour of a somewhat more cautious pace in social and economic reform, but they will probably retire soon through age.

Persistent rumours tell of a serious quarrel between Mr. Deng and General Xu Shiyuan, a deputy Minister of Defence and until recently commander of the Central Military Region.

Mr. Deng is understood to be particularly intent on taking over the chairmanship of the party's Central Military Commission from Mr. Hua. There are many grounds to believe that some top military commanders have been voicing opposition to Mr. Deng's policies and he would doubtless like to bring them into line.

Mr. Zhao's appointment as Prime Minister was soon followed by the cancellation of large numbers of heavy industrial projects, considered wasteful or misplanned, and of much of China's import programme for the next two or three years.

Other key figures in the leadership include Mr. Ye Jianying, the Vice-Chairman; Mr. Li Xiangshan and Mr. Chen Yun.

Having reportedly protected Mr. Deng during the latter's second period of political disgrace in 1976, General Xu is thought to be in disagreement with the attacks on Mao, and resentful that he did not get the post of Defence Minister, which is still officially unoccupied since the resignation of Marshal Xu Xiang-qian last year.

There are yawning gaps in the leadership because of purges and resignations, and the ranks of deputy prime ministers in particular have been thinned out. Fresh appointments are believed to be awaiting the plenary session of the Central Committee which is now unlikely to take place until after the Chinese New Year, in early February, and the Twelfth Party Congress later in the year.

In the meantime, however, the country has to be run, and the main difficulty for Mr. Deng's group is a simple paradox: his policies are bold and decisive, but the more timidly they are implemented, the more the middle-level bureaucrats who have to carry them out, and the slower they are in being implemented. Add to this the unease felt by many party members about the extent of "democratization" and the fear of being victimized if they go along with it, when there is still a chance of another leftist administration at some time in the future, and the present degree of administrative stagnation and confusion is easy to understand.

While any comeback by a leftist regime seems most unlikely from the vantage point of today, the habit of seeing politics as a cyclical process is deeply ingrained among Chinese administrators who were schooled in a near-superstitious awe of Mao.

None the less, Mr. Deng has been able to push through many reforms—some perhaps more evident on paper than in reality, others quite tangible and successful. The restoration of a measure of popular choice in local government elections, and encouragement to people to speak their minds, within certain limits, are healthy signs and very necessary after the long years of enforced conformism.

The new codes of criminal law and procedure, taxation, joint enterprises and protection of the environment, are laying down a basis for more rational and open government, supported by a greatly liberalized and resurgent press. Unfortunately too many high officials still adhere to the old methods of dictatorial fiat and factional intrigue.

Factionalism is one of China's most tenacious problems, and it is difficult to see how middle-level administrators can be expected to shun it when it still so clearly dominates political life at the top.

David Bonavia

Economy

Meeting basic needs supplants industrial projects

The Chinese economy, undergoing radical readjustment, presents a picture of incharacteristically violent change. The suspension or cancellation of hundreds of heavy industrial construction projects in hand early last year is already showing results in the increased pace of growth in light industry, to which enormously increased use of precious energy resources can make big investments in non-renewable fuel reserves unnecessary for the time being. Oil has not quite matched last year's production figure of 306 million tons, down nearly 5 per cent.

Steel, despite the latest reductions in investment, increased more than 7 per cent to 37 million tons, with rolled steel increasing from 25 million tons to more than 27 million tons. Chemical fertilizer showed a much needed increase of 17.5 per cent to reach nearly 13 million tons in 1980.

Electric power generation was up by more than 5 per cent to 237,000 million kilowatt-hours, and a further increase to 305,000 million kWh is planned for this year—mainly through new hydro-electric plants and more economic use of coal.

Light industries and textile plants increased output by about 17 per cent last year, while heavy industry as a whole showed only a 1.6 per cent increase—indicating that the new priorities have begun to bite.

Exports, mostly consisting of goods ordered before the new cutback policy went into effect, rose by 15 per cent to 27,700 million yuan (£7,426m), and exports by 27 per cent to 26,900 million yuan (£7,212m). Exports of agricultural and light industrial products fell slightly as a result of the poor harvest and as a result of world recession hitting demand.

Production of radio and television sets increased by 110 per cent and 84 per cent respectively, showing the leadership's concern with getting its political message across to the people—while providing more attractive and varied entertainment.

Other important indicators of concern for the consumer are bicycles (up 29 per cent), sewing machines (up 31 per cent) and watches (up 25 per cent). Watches and electronic goods are imported in significant quantities, although many of these are gifts to relatives from Chinese people living abroad.

The peasants benefited from increased rural power consumption which, at 37,000 million kWh was 14 per cent more than the 1979 figure. The new economic policy has clearly not been adopted without debate and even conflict at the top. Semi-official news leaks say that Mr. Hua Guofeng, who is expected to step down shortly from his position as chairman of the Communist Party, is being blamed for the setting of over-ambitious production targets which threw the economy into disarray.

Most long-term observers of the Chinese economy feel this is only partly true, in the sense that Mr. Hua adhered to the line of Chairman Mao, insisting on trying to build up a strong heavy industrial sector at the expense of the consumer. Numerous people were responsible for the excessive imports, which last year left China with a foreign debt of £1,447m.

The group around Vice-Chairman Deng Xiaoping, Mr. Hua's chief political rival, has certainly not been backward in authorizing the purchase of advanced industrial equipment from abroad.

Mr. Hua was unlucky in his agricultural policy—a cornerstone of Mao's economic theory and a sphere in which he himself has long been active. The once infamous Dazhai Production Brigade, a model of left-wing experiments and egalitarianism, was denounced as a sham last year and its leader, Mr. Chen Yonggu, removed from the Politburo. Mr. Deng's agricultural policy—emphasizing less collectivization, more material incentives, rural free markets, diversification and higher prices for crops—has carried the day.

Higher food prices have brought inflation, the existence of which has been officially admitted for the first time. The emphasis on market forces and more autonomy for industrial enterprises has led to widespread price increases, the latest last year a nationwide price freeze was declared and inspections were begun to bring down excessively inflated prices. Another contributor to inflation, which is thought to be about 6 per cent, has been the increased payment of bonuses to industrial workers without appropriate increases in productivity.

The widely proclaimed entry of China into world financial markets in search of investment capital has still not taken place, and lines of credit open to it in the big capitalist countries have not been taken up to any significant extent.

Such signs of relaxation as have been seen to date have been celebrated in the Western press as Western-style "liberalization". One cannot deny the improvement in consumer goods, the appearance of increased competition between Chinese entrepreneurs and the Government's attempts to standardize the social regulation which govern their society.

However, changes in social policy are not necessarily social reforms in the Western sense, leading to greater democracy or individual rights. They have more to do with economic decisions made by the party and state aimed at improving economic stability in the end, continued survival of the party.

Dinah Le

Social reforms

Single-child families get housing priority

Every year on the banks of the Yellow River, Chinese peasants battle with home-made weapons over the ownership of land uncovered by the river's receding waters. Land disputes like this are widespread throughout China; in Guangxi province alone several hundred people have been wounded or killed in recent years. Small wonder, then, that the Chinese Government is preparing a new land law.

Over the past four years, the Chinese have concentrated on changing social policy, with the result that a new criminal code, marriage law and birth control regulations have already been introduced. But evaluating the success of such social reforms, no matter how welcome, is a relative exercise.

Do you compare the situation with pre-liberation conditions, or with what could, or arguably should, have been achieved after 30 years of comparatively stable party rule? The Chinese attitude towards prison reform, mental illness, sexual deviation (even normal sexuality) are all being broadened, but can appear feudal.

Social changes are also unique in the degree to which political dogma is coupled with coercion of the community to shift behaviour in the desired direction. This process does not always go smoothly, as demonstrated by the "one is fine" birth control campaign that advocates single-child families, had horrific consequences:

Launched in late 1979, the campaign has run into deeply-rooted resistance from the public. In keeping with the new outlook of accounts-keeping, profit-making China, the campaign is backed by economic reward, whereas 10 years ago ideological correctness was reward enough. Parents who promise to have only one child earn for themselves the private plots, and food and fuel supplies of a two-child family. They are given housing priority over everyone else.

At the same time, having a third child means the loss of 10 per cent of a family's wage packet and an extra 5 per cent levy for every child after that. The message is clear: big families go hungry while the childless and one-child families live in comparative comfort.

Despite the obvious attraction of a higher standard of living, young women still consider their older friends were lucky to have escaped the policy. In order to have a second child, a woman must run the gauntlet of intimidating interviews with her unit leader and risk the opprobrium of her peers for the chance to take her turn in the unit's pregnancy rota. For the birth of a second child is becoming an act of political defiance.

The determination of one peasant woman to continue a second pregnancy despite the equally strong pressure from a unit leader to abort, had horrific consequences:

She was eventually forced to have her illegal child in the fields, and according to the Chinese press report, the leader followed her and strangled the newborn. In revenge, the mother went to his home and strangled all three of his children with a piece of wire.

Not all of China's recent social policy changes have been so controversial. Sometimes, official policy coincides happily with economic pressure and community practice. For years, all over China, people have "worked the system" through a series of impromptu advertisements pinned on telephone poles and well-travelled corners proposing the exchange of jobs and assignments with others equally well qualified.

In this way, people who would never have been transferred had they relied on official channels have rejoined their spouses and families in other cities and provinces. Now the Government is considering making these advertisements official, and a rash of essays in the press proposing

the advertisement of vacancies appeared last summer. The official rationalization was the need for the "interflow of qualified personnel". For the average man, it may mean welcome loosening of the rigid fabric of Chinese society and an important new freedom.

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Trade

Technology bought beyond means

The Chinese trade bubble has not burst, but it has bubbled to an "inflationary" halt. The promise of a few years ago has faded, equipment import projects are being cut back, postponed or cancelled, and Peking officials privately concede that the present economic slowdown is "unavoidable" and may last into the mid-1980s.

With an annual value of about \$36,000m, China's trade will continue to be important even during these lean years. But the jockeying by Western corporations for contracts has been so fierce that a great deal of disillusionment is now evident.

To put it crudely, the Chinese were so thrilled by Vice-Chairman Deng Xiaoping's economic liberalism that they went out and bought new technological toys and equipment beyond their capacity either to pay for or digest.

British trade with China in the last year fell by 10 per cent. British exports dropped by 23 per cent, while China's shipments to the United Kingdom market grew by 12 per cent. Britain was left with a healthy surplus representing an annual rate of almost 50m.

Many other leading suppliers to China have fared as badly.

The United States is the major exception to the trend, with both exports and imports higher than the year before. But that is partly explained by China's continuing hunger for American farm products, as well as the somewhat exaggerated reputation which United States technology enjoys among Chinese managers. Last year China spent no less than \$2,000m on American wheat, cotton, corn and soybeans.

Some business is still there to be done, especially in such obviously sensible areas as agricultural processing, pharmaceuticals and radio and television.

With the premium on imports of machinery and knowledge, it is only to be expected that China's purchases of steel would fall. In the first half of 1980 Japan, the major supplier, sent only half of what it had been shipping in the preceding six months, and that figure was the lowest half-yearly total for five years.

Feeding 1,000 million Chinese presents a tougher challenge every year, and Chinese caution runs almost a pessimism in the recent oil and current contracts for grain imports. Whereas Peking in the 1970s was buying only two million tonnes of grain a year, on average, from the Americans, for 1981-84 it has staked a claim to six million tonnes a year.

That is going to eat up an uncomfortably large share of China's available foreign currency.

Apart from such special cases as foodstuffs, fertilizers and certain key raw materials for industry, the Chinese shopping list for machinery in the period ahead is likely to echo Schubert's "The small is beautiful". The grandiose schemes are suspect, but what Peking will buy is the modest six-figure machine tool-made for the next stage of a particular industry or plant's development.

And in this area it happens that British companies score, like Lacey with its efficient treatment equipment, or Bone Markham's tandem extrusion coating machinery, or the company which has just sold almost half a million pounds worth of shoe-making equipment through, of all people, a French agent.

China is also buying second-hand machinery—lorries from Japan, probably, and \$750m worth of ships last year.

Otherwise the road to sales is by investment. Most of the 490 joint investment or collaboration ventures so far concluded with foreigners in "special economic zones" set aside for this development, are with Hongkong or Japanese partners. Mr. He Yao, deputy director of Shenzhen's External Economic and Technical Relations Office, claims that investors from 33 countries have been to talk to his officials, and expansion is on the way—not only at Shenzhen but also at two other places in Guangdong province, just opposite Hongkong, Zhuhai and Shantou.

In the first 15 months of the new joint venture law, up to last September, some 330 ventures were approved involving \$1,800m, of which foreigners furnished over three quarters. Most of these were loose cooperation ventures rather than investment of foreign capital.

But there are a few interesting pointers to the future. Jardine Matheson, never to be underestimated in the China market, won the first big manufacturing joint venture for its Schindler lift and escalator enterprise.

Hitachi followed suit with a joint venture to make 380,000 television sets annually by 1984 in Fujian province. In the agricultural sector Guthrie and a Singapore consortium are investigating 20m in a Hainan island oil palm venture in return for three quarters of the profits.

China's capacity to import, whether at a provincial or central level, will depend on its own exports. There is no evidence of a big increase

to come, although China's official statistics show a 27 per cent increase last year to reach \$18,000m. Since imports were up only 15 per cent, the visible trade deficit was cut to only \$530m.

Of these total exports, however, the traditionally lucrative farm products and light industrial goods provided a smaller share than usual. The biggest increases were in heavy industry and minerals, and higher world oil prices were an important factor.

With imports there was a marked switch in 1980, the agriculture-related and light industrial categories jumping rapidly to account for more than half of the total. There was a corresponding fall in the intake of steel, metals and machinery (with instruments, about 28 per cent of the total).

Textiles have run up against the walls of protectionism in Western markets. The Americans, for example, found that China, delivered over a million woollen sweaters to their market in one month alone last summer, so restraint was demanded. China faces certain limits to its earnings from this industry, although the ranks of potential markets for ready-made clothes are swelling. Shanghai alone now ships more than a year to Argentina and Chile.

Other ways of earning foreign exchange are being pressed. To woo the foreign tourist, Coca-Cola and cosmetics (first Max Factor and now Shiseido) are being imported. New ways of squeezing money out of the overseas Chinese are surfacing from issuing credit cards to selling grave sites at \$1,000 a time.

The export of labour, on the pattern pioneered by South Korea in the Middle East, should also prove profitable.

China furthermore is hoping for substantial aid credits from the World Bank and United Nations agencies. A loan of \$10,000m over five years, specifically to restore China's transport system and reequip its universities, is being talked about.

In these ways the Chinese expect to operate a healthy foreign trade over the next few years, with small deficits covered by modest credits or invisible earnings. Their own exports will become more varied and advanced, while their imports will see the small and the second-hand in better balance with the glamorous complete plant which does not always graft successfully to unfamiliar soil and conditions.

Dick Wilson

The law

Restoring faith in the judicial system

The recent trial of Jiang Qing, Mao's widow, and her colleagues for counter-revolutionary activities was hardly the best advertisement for China's new system of criminal justice, established just over a year ago.

It was, in the main, a political show-trial. Even so, the accused had not been "broken" beforehand, and they did not make the false confessions that are usually the hallmark of such proceedings. They were entitled to lawyers of their choice. They could, and did, cross-examine witnesses and make statements and speeches. Moreover, the trial was to some extent public, and many millions of television watchers were able to watch Jiang Qing put up an extremely spirited defence.

The essential that was lacking was any indication that the verdict had not been predetermined. As show trials go, however, it was perhaps closer to Nuremberg than to the Russian trials of the 1930s.

It was probably inevitable that a case of such fundamental importance to the political structure of the country would be distorted, and it would be unfair and unfortunate if the "Gang of Four" trial were taken as a typical example of the direction being taken by the Chinese legal system. The reality is more encouraging, starting from a base of appalling chaos, the Chinese are attempting the daunting task of building up a fair and coherent system to govern a wide range of legal matters.

Up to 1977, for nearly a decade and a half, there was no effect on legal system. China was a lawless society; the whim of the ascendant faction was paramount and the laws that had previously operated were jettisoned.

Lawyers were among the first to suffer from the political upheaval. Branded as elitists, intellectuals and counter-revolutionaries, most of

them were sent to work in factories or on the land, and even those who escaped that treatment could no longer work as lawyers.

The law faculties in the universities were either abolished or became severely limited in what they could teach. There were no law graduates, and no legal textbooks were published. It is only in the past four years, since the overthrow of the "Gang of Four" that it has become possible to try to restore some form of legal order.

There are three elements in the present policy of the Chinese Government: first, to draw up new laws; second, to establish a core of lawyers, judges, administrators and other legal or para-legal persons; and third, to educate the people to understand and appreciate the law and to have respect for it.

The first is being achieved through the adoption of a number of new codes, the first seven of which came into force last year. They deal with criminal law, criminal procedure, people's courts, people's procuracies, joint ventures, electoral law, and people's congresses. These are being followed by codes on civil law, civil procedure, taxation, corporation law, patents, and marriage and divorce. Interestingly, many of the codes are based on examples from Western countries and Japan.

Producing enough lawyers to participate in the system is more difficult than merely passing the laws. With the batch of lawyers who have only just emerged from the law schools, the youngest lawyers in China are aged about 30. Many of those who practised before the cultural revolution are dead. Others are too old to resume their profession or do not wish to do so. It will take many years—probably more than a decade—even to reach the number of lawyers who were active in

the early 1960s. The legal needs of the country have greatly increased since then, particularly in the commercial field, where China's resumed contact with the West and Japan has opened up new demands for legal skills.

Attempts are being made to revive the traditional lawyers' associations in the big centres. Peking, Shanghai and Canton have already set them up again, albeit with greatly reduced numbers, and other cities are following. However, these can come nowhere near to meeting demand, and the appointment of non-lawyers to a range of legal or quasi-legal duties is therefore a necessity. These para-lawyers receive some training in the particular skills necessary for their jobs.

Judges and procurators are in any case not usually legally qualified, and it is easier for China, with its well-developed tradition of conciliation at the neighbourhood or factory level, and its use of people's assessors in criminal trials, to make do without the full panoply of qualified legal figures.

The third element of China's legal reawakening—the education of the masses in the law—is being effected by means of lectures throughout the country, discussions at local level, inviting ordinary people to trials, some of which are held in large theatres to enable thousands to attend, and full reporting and explanations in the press.

Apart from the painful experience of Jiang Qing's trial behind them, the Chinese can now concentrate on the less spectacular but more difficult task of restoring credibility and efficiency to a legal system which they see as being of fundamental importance to the country's plans for the rest of the century.

Marcel Berlins
Legal Correspondent

Foreign relations

Year of advance in global engagement

Last year was not one of dramatic or measurable change in China's relations with its enemies or its friends. What did show a significant advance was the country's engagement with the world in a way that offers more grounds for confidence in its future.

Afghanistan might have been thought enough to ensure that China's hostility to Russia was given a new impetus. So it was, in denunciation and confirmation of China's view that the Soviet Union was robbing the world of a great power. But China's involvement in the matter of Russian suspicion constantly cooled, and no serious border conflict developed.

The same could not be said of Vietnam. Talks between the two countries were cancelled on the Chinese side in March. In July there was trouble on the border, in October cross-border raids, in November and December artillery fire, each side blaming the other. Vietnam's belief that any withdrawal of its part from Kampuchea would certainly mean the substitution of Chinese domination in that luckless

country was untouched by Chinese denials. The wish to improve relations between India and China has often been expressed from both sides. But whereas in 1979 China's invasion of Vietnam sent the Indian Foreign Minister hurrying back to his country, so in 1980 India's recognition of the Heng Samrin Government in Kampuchea prompted the Chinese Foreign Minister to cancel his intended visit. This took matters back to square one and revived memories of 1962.

Friendship did not get much warmer either. In an American election year President Carter had nothing to add, if anything he was on the defensive for having treated Taiwan rudely. China was alerted to danger by Mr. Reagan's off-the-cuff comments on that island in August. Mr. Ray Chien's even braver dismissal of Chinese claims drew some sharp comments from Peking.

With Japan and with the European Community the equal relations long established continued without any break. M. Giscard d'Estaing was the European leader and he was lectured on the danger of détente with the Russians and was

certainly no more diverted from his view of the matter than all the other visitors from Europe who had preceded him. Naturally enough, the Japanese are made a little anxious lest China's hostility to the Russians should impose upon them an equal hostility with a country they have found it hard to get on with. But this risk was also not increased in the past year.

It should have been obvious by now how sensitive an issue Taiwan is to all Chinese who remember 1895 (China's defeat by Japan and cession of Taiwan) which perhaps American presidents do not always do, not to mention the Dutch who met a sharp reaction to their willingness to sell two submarines to the Government in Taipei.

Among neighbours China might have hoped for a better return from Mr. Huang Hua's visit to ASEAN countries in the spring or from Mr. Lee Kuan Yew's trip to Peking in November. Even the well-disposed General Prem Tinsulanond of Thailand did not get much encouragement in October for his plea for greater Chinese flexibility over the Kampuchea problem since ASEAN

can no longer go on backing a loser like Pol Pot. In this connexion there are those who see signs of a change in Peking, if only because the signs have become mixed. It is even possible that China's obvious embarrasment at the commitment, dating from Mao's most euphoric revolutionary phase in the early 1960s, of aiding South-east Asia's communist guerrillas might be run down in the coming year. Was the return to his own country from Peking of an exiled Malaysian communist leader, telling his countrymen on television how his outlook had changed, tacitly supported by his late hosts?

To this rather colourless record of no progress and even some muddle it is worth contrasting the peaceful China that is emerging from the post-Maoist transition. In the Middle East China has supported the Israel-Egyptian détente and earned Libya's angry break of cultural and economic relations on charges of "military collaboration" with the Egyptians. While China regretted—as many others did—President Carter's attempted use of American might to rescue the hostages from Iran,

China has consistently supported negotiation and never sought to justify Iran's breaking of diplomatic rules. The Chinese are sticklers for them. Similarly the Iran-Iraq war has been deplored as an unnecessary disturbance of the peace; a compromise should be sought.

These are all different attitudes from those that Mao made familiar in the past. As for deeds, they may be in straits, too, as a mark of China's change. In Tokyo early last year Mr. Li Qiang, Peking's Minister of Trade, told the Japanese that China was ready to "adopt all the practices generally acceptable in world trade", a message that could be translated into an engagement to world peace, at least in the small but significant way of joining in at the United Nations.

Since China was elected to that body in 1971 in place of the rival government in Taiwan, Peking's attitude has been cautious, hesitant, sometimes suspicious or doctrinally inhibited, never as committed to the United Nations and its purposes as a country with so strong a tradition of peace-making might—given a weakening of its Marxist view of the world

—be willing to engage in. Last year seemed a turning point. From the United Nations Committee on Disarmament to the High Commissioner for Refugees from UNIDO to the World Intellectual Property Organization, China became a participant and contributor. Add to this membership of the International Monetary Fund and World Bank and it might be argued that China's place among the five permanent members of the Security Council looks a good deal less hollow than when President Roosevelt first insisted upon it.

Such a commitment seems to suggest that the China that was faced by a war in Korea within months of the Government's emergence from two decades in the backwoods, and which then suffered two decades of upheaval from Mao's shifting view of a world in revolution, may be slowly moving towards more stable relations, even if the 50 Russian divisions along their frontier are likely to prolong the mutual suspicions and mutual fears that have troubled many countries besides these two giants.

Richard Harris

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Education

Schools are 'streamed' on hierarchical lines

The Chinese education system has emerged battered and shaken from the Cultural Revolution. Teachers are trying to regain the prestige they enjoyed in the early 1960s, while schools and colleges settle back into the buildings they lost to other organisations during the closure of all Chinese schools from 1966 to 1969. The *People's Daily* has called for a redistribution of investment away from heavy industry and into the schools and universities, and has pointed out that "without trained personnel, material construction will be unsuccessful".

When schools reopened in 1969, they were told to carry out a revolution in education by training a new generation of proletarian fighters well versed in the evils of revisionism and the criticism of Lin Biao and Confucius. Strident propaganda praised model pupils like Huang Shuai, who argued with her primary school teacher over ideological matters and became headline news in the national press. Examinations were banned, and teachers privately complained that classroom discipline was breaking down.

Today the Chinese education system is organized along strictly hierarchical lines, and the egalitarian rhetoric of the Gang of Four is heard no more. Instead, various types of schools have been designated to deal with various groups of students: key schools for the academically gifted, ordinary full-time schools for average pupils whenever possible, and "part-work" schools in poorer, mainly rural areas where state funds

are insufficient to provide universal education.

Lying behind the transformation of the education system in the past two years is the regime's conviction that the distance which separates China from the developed world matters far more than the distance which separates the country's backward areas from the big towns. The national effort is directed at modernization of the economy, and schools, too, are expected to produce students who have mastered the skills the country needs.

The emphasis is no longer laid on improving schools in poor areas until they reach the standards of urban schools. Today the hierarchical division of each sector of education into "key institutions" and others is the pivot of official policy. Entry to key schools is limited to successful candidates in stiff tests. The examinations increase in difficulty as pupils move up through the system, until fewer than 5 per cent of middle school graduates gain places in institutes of higher education.

Since resources are limited, the key schools have priority throughout, in staff, buildings, money and of course pupils. There are key schools at national, provincial and local levels, each enjoying precedence in allocations of funds from their parent bodies (the Ministry of Education, provincial education bureaux or county education offices). Naturally, there is intense competition for places in national key schools and universities, and a predictably large number of places to children from intellectual and professional families. In universities, the days of positive discrimination

in favour of "worker-peasant-soldier students" have gone.

Young people today study furiously for entrance examinations, fully aware that admission to university is the first step towards a successful career. University courses which were shortened to an average of three years in the early 1970s have been restored to their pre-Cultural Revolution length of four to five years. Academic titles, once denounced as "bourgeois symbols of intellectuals' thirst for power", have been reintroduced across the board, and the practice of awarding degrees is soon to begin again. There has even been talk of allowing universities to conduct their own entrance examinations and to expel unsatisfactory students. Academics, while welcoming these moves to grant them more control, watch cautiously as the state loosens its grip on one sector of the educational system after another.

All this is a far cry from the university recruitment procedures of the early 1970s, when candidates were required to have spent at least two years after middle school "learning from the poor and lower-middle peasants" as part of the "down to the countryside" movement. At that time, recommendation by workmates followed by endorsement from the local party committee gave a candidate the right to be interviewed by university recruitment teams which toured the country in search of students who met strict ideological standards.

It was impossible for the universities to conduct even basic general knowledge tests on prospective students, since this would lead to the charge that they were "putting marks in command" instead of upholding the dictatorship of the proletariat in the educational realm.

The result was that many university classes were at a level better suited for middle school pupils; teachers who had already suffered considerable physical and mental distress were asked to teach courses which they regarded as insulting to their professional competence; and morale in the university departments never recovered from the damage done by factional disputes during the Cultural Revolution.

The present regime has done a great deal to improve the atmosphere in the staff rooms, not least by leaving teachers to get on with their teaching. Instead of organising long spells of "open-door schooling", when classes left campus for weeks at a time to live, work and study in factories or in the countryside, schools and universities now ensure that students spend most of their time studying. Manual labour and political meetings, which used to occupy so much time that academic work suffered, have been considerably reduced.

During the Cultural Revolution, Chinese schools were so vigilant in guarding against elitism that the quality of education was pushed into second place. Press articles gave warning that intellectuals were resisting the party's efforts to reform their outlook and insisted that working class control of education was necessary to guarantee a reliable generation of "revolutionary successors". Today this concern over

the social implications of educational policy has been replaced by an obsession with the economic effectiveness of China's schools. Deng Xiaoping is as unmoved by the elitist implications of the key school system as were the Cultural Revolution leftists by the damage done to academic standards during the worker-peasant-soldier years.

The reversal of Cultural Revolution policies could hardly be more complete. Even the aim of achieving universal primary education in rural areas seems to have been shelved until conditions are appropriate. A network of part-work, part-study schools has been reestablished in country areas where the state is unable to finance full-time schools for all, and many non-key schools are beginning to change their curricula to include more technical subjects. These policies recognize the reality that few country children (or town children who fail to enter key schools) are likely to proceed to higher education, but they also make the streaming of the Chinese education system more rigid at each stage.

It is easy to see why the present policies have been adopted and to sympathize with a regime struggling to make up for lost time. But resentment against key schools is certain to grow if the present policies continue unmodified throughout the 1980s. Only through a rapid development of correspondence courses and the new but immensely popular Television University can the educational ambitions and needs of China's younger generation be met.

Beth McKillop

The arts

Nostalgic indulgence in the past



Literature of the Cultural Revolution has been described as "immensely conceived" since individual writers could expect little in the way of personal freedom or financial gain and indeed they hardly existed, either writing as part of a team or hiding behind pseudonyms. It might equally well have been described as test-tube creation for all artistic creation was governed by regulations.

The desired result was to produce works which "present in a healthy way a revolutionary content, exalt with deep and warm proletarian feelings the Great Chairman Mao; exalt the great, glorious and infallible Chinese Communist Party". Writers had to eschew such "bourgeois concepts" as the complexity of the inner mind and human interest, which was good because it connected people along lines other than those of class, and which, above all, followed the rule of prominence whereby the hero was indisputably and infinitely superior to class enemies. Anyone who tried to ignore these regulations would never get his work published and would probably be imprisoned.

Such rules were most strongly felt in literature but extended to the visual arts where painters ignored at their peril directives to avoid "paintings of lemons, cherries, dead fish, girls with flowers and similar trash". The medium was not subject to such restrictions, and Western oil could be used alongside the traditional monochrome brush style as long as the content conformed.

Traditional art forms continued to flourish but paintings of misty mountains always contained a line of electric pylons, and peasants working in paddy fields instead of hermits drinking wine in rustic retreats. Traditional new year prints sprang on doorways at spring festival still depicted fat babies but when the Gang falls, too, were overshadowed by pylons, tractors and other apparatus of bumper harvest under socialism.

Painters and writers were among those who suffered most during the Cultural Revolution and even those who were not "persecuted to death" endured considerable assaults on their integrity and confidence. Thus, though they reacted most enthusiastically to the downfall of the Gang of Four—the ballerina Dai Ailian says she danced on points all the way down the street—it has taken them some time to recover professionally from 10 years of restriction.

The immediate result of the downfall of the Gang was a passionately nostalgic indulgence in the past. The great novels of the 1930s and 1940s by Lao She, Mao Dun and Ba Jin were reissued together with other forbidden fruit, translations of foreign classics like Dumas, Shakespeare and Melville, and sold to crowds who queued for days.

Classic Peking operas were revived immediately by troupes who had continued to rehearse them between performances of model revolutionary Peking operas which had borrowed something of the style and form but thrown out the old stories. Similarly, Western classical music had been played by the Chinese symphony orchestra in rehearsal and was quickly brought to the public. These popular classical forms, both Chinese and Western, seem now to be firmly reestablished.

The first new works of significance to appear after the fall of the Gang were short stories about the injustice, persecution and misery of the Cultural Revolution. They are called "the literature of the wounded" after the most famous, Lu Xinhua's *The Wound*, which also brings in the theme of the harm done to young people such as the heroine of the story who cuts herself off from her mother who has been unjustly imprisoned.

She sees the only hope of a decent life in rejecting her past but when the Gang falls and her mother is reinstated, she realizes her mistake and rushes home. She arrives as her mother expires but the

gloom is slightly relieved by a young man who managed to get there before her mother died and who will help to heal her "wound".

"Wound painting" is exemplified by Han Meilin's soft portrait of his dog which was clubbed to death by Red Guards. There has been some criticism of "wound literature" as unhealthy and pessimistic and, perhaps, because it reveals to the outside world too clearly the horrors of the recent past.

In denouncing the Cultural Revolution, cultural authorities find themselves in a difficult position for it may seem that there are now no rules. This is not the case, for the most recent meeting of the National Congress of Writers and Artists (autumn 1979) concluded that "socialist literature should first of all eulogize the people and meritorious individuals...".

Letting 100 flowers bloom does not mean blossoming merely for the sake of blossoming, or taking a laissez faire attitude; it means blossoming for socialism". Thus the goal is firmly established but there is still argument about the means.

The confusion felt by all the current favourite writers and artists must be increased by the baffling mixture of foreign imports including exhibitions of Praxitel and Carver, classical Chinese and Western, and a puzzling film in the land of a million bicycles, *Convoy*, *The Man from Atlantis* on television and pin-up photographs of Gina Lollobrigida in a state of undress sold in Peking's main shopping street. There has also been a production of *Guess-Who's Coming to Dinner* with an all-Chinese cast.

A further complication of the reversal of Cultural Revolution strictures has been the expansion of unofficial art and literature. Private circulation of literature and art went on during the Cultural Revolution but recently, in accord with calls for greater political freedom, unofficial artists have sought official recognition. On rare occasions, works of merit like the futuristic

political allegory *Peking in the year 2000* (featuring the return of the dreaded Gang) have made the transition from unofficial to official publication.

Sadly, not many unofficial works are so lucky, although not all of them are so good. An unofficial art exhibition at Democracy Wall included some terrible paintings by a young man who claimed that the Gang of Four had prevented him from going to art school. They may have been right but his sense of injustice and hope for a new chance, characteristic of the young people depicted in "wound literature", represent a problem for the censorious authorities in culture.

After the reprints and "wound literature" there are finely signs of new developments, particularly in the work of Shen Rong, a woman who writes powerfully of the abuse of dedicated professionals and of the problems of working women, and in the more popular writing of Zhang Yang. His best seller *Against I Clasp Your Hand* contains themes of unrequited love, the return of patriotic overseas Chinese and dedication to scientific work.

These themes reappear everywhere. In a leotard wraps herself round Bob's model, in the new genre of socialist science fiction where overseas Chinese scientists make discoveries for the motherland and in films such as *Love on Lushan Mountain* where a dedicated architect loves an overseas Chinese girl with an amazing wardrobe and the ability to climb mountains in high heels.

These ideas represent culture's contribution to modernization both in the incorporation of the outside world through the acceptable mediation of the overseas Chinese and through the fact that the hero of the 1980s is no longer a worker or a peasant but a scientist.

Frances Wood

Some tightening of screw likely in post-Mao era

continued from page 1

Experienced bankers and traders who were thrown out of their jobs in the late 1960s have been compensated and begun showing up again to negotiate trade deals with foreign companies. China does not have so great a pool of expert knowledge that it could possibly have gone on with Mao's persecution of specialists, technicians and intellectuals.

The cult of Mao's personality—denounced as "modern superstition"—has been abolished, with his huge statues in many places being pulled down, or sawn up into manageable chunks for disposal. Even the revered "former prime minister, the late Chou En-lai, is no longer the object of a posthumous cult. Mao's

successor as party chairman, Mr Hua Guofeng, showed signs of creating a cult around himself, but it was a failure and he is expected soon to be out of office.

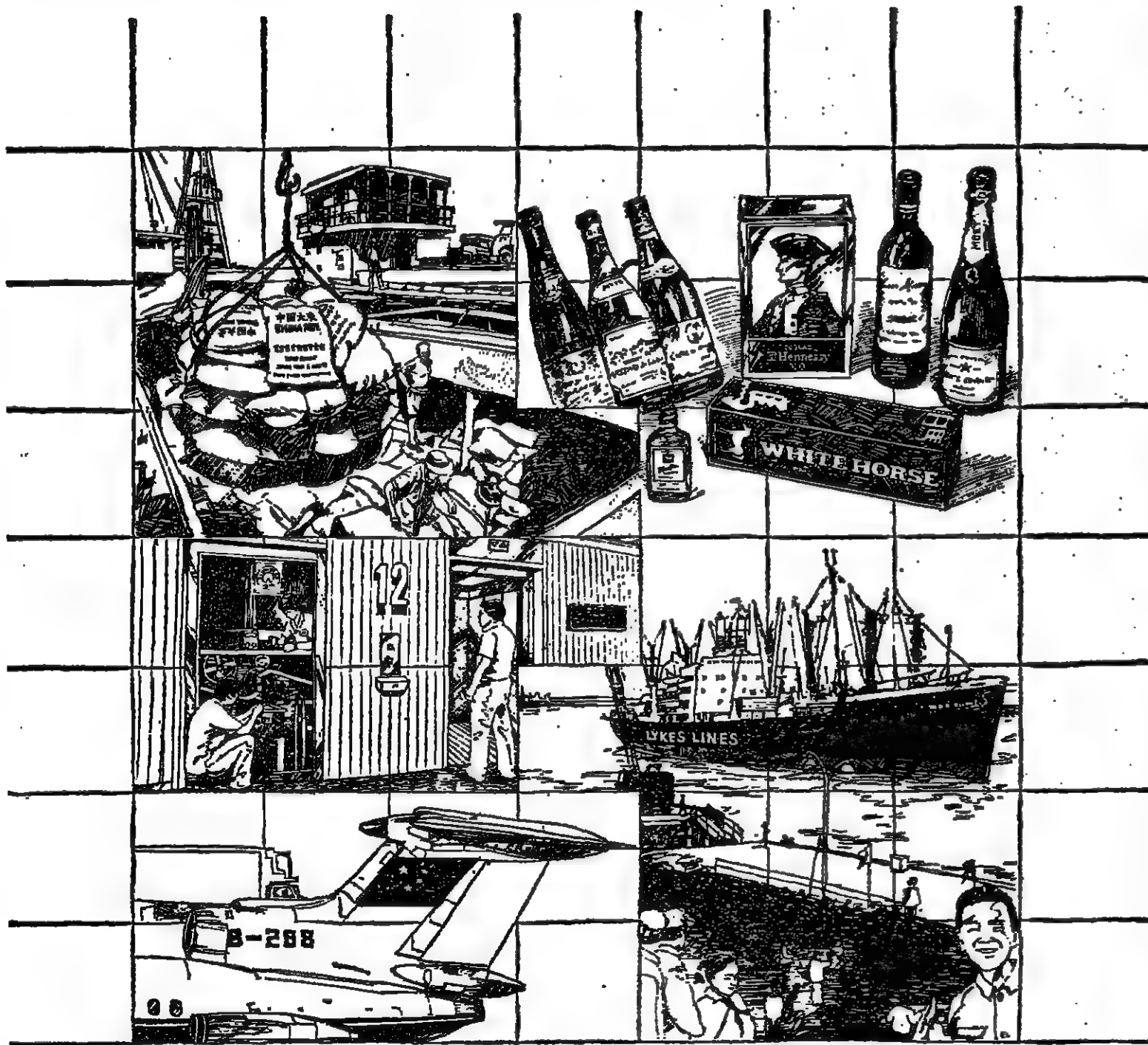
Efforts have been made to turn the National People's Congress into something more resembling a parliament, but it meets too seldom to exercise genuine authority. It can act mainly as a way of letting off steam and venting complaints, as well as a means of honouring outstanding people not necessarily members of the party. A "united front" policy is in effect, and small political parties without any Marxist ideology have been revived, if only for show.

Liberalization, as is to be expected, has been accom-

panied by a rising crime rate, alarmingly visible among juveniles and unemployed young people. Foreign students have been robbed quite often in Shanghai, and there are reports of a rash of terror bombings.

It may be that crimes are now being reported which previously were kept under wraps, but it is clear that the police are very busy and by no means in control of the situation in some places. This is one of the prices a country pays for greater freedom, and so far the leaders show no sign of considering the price too high for without liberalization China can show little scientific, intellectual or economic progress.

David Bonavia



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THE FIFTH PROPRIETORSHIP

The Times has a new proprietor, Mr Rupert Murdoch. His is the fifth proprietorship in the history of the paper. By far the longest was the proprietorship of the founding family of John Walter which lasted for more than a century. That was followed by the proprietorship of Northcliffe, which was in its turn followed by that of the Astors and by the Thomson proprietorship which is now at an end. Each of these ownerships has made its own major contribution to the paper. The Walters, after John Walter I, a failed Lloyds underwriter, had seized the opportunity to provide an unsurpassed coverage of the French Revolution, created the Times as a great Victorian institution with a combination of Victorian efficiency, Victorian thoroughness and the Victorian conscience. The reputation and the character of the paper dated from their time and in particular from the long Editorship of Delane, from 1841 to 1877, the greatest of the Editors of The Times.

Period of stability

Northcliffe bought The Times after a period of decline. He infused it with his own demonic energy and he completely reorganised the commercial side. He was, however, always in conflict with the spirit of the paper which resisted the propaganda inherent in his method and the excited exaggeration and distortion which is inherent in all propaganda. In his last years, Northcliffe was not in his right mind and after the experience of Northcliffe the Astor proprietors provided an honourable stability.

The Astors were the least commercial of proprietors, not seeking to profit from the paper and simply wanting The Times to be conducted as a service to the nation. By 1966, commercial conditions had made it impossible for any private family to carry on a newspaper on this basis. At that time, Roy Thomson was the leading proprietor of Fleet Street. He aimed to protect the future of The Times, which he did not expect to be a profitable undertaking, by merging it with The Sunday Times and like Northcliffe, by reorganising its commercial management.

Roy Thomson was a business man of remarkable gifts. As a proprietor, he was extremely generous to The Times. He gave us consistent and strong support and exercised a shrewd and powerful commercial judgment. Although he was a great newspaper man and owned two hundred or more newspapers, he understood newspapers from the commercial and not from the editorial side. He was also an almost incredibly successful business man, making his final fortune in oil, worth several hundreds of millions of pounds, when he was in his eighties.

The death of Roy Thomson in 1976 marked the beginning of a period of crisis for the paper which has lasted to this day. There have been several strands to the crisis. Kenneth Thomson, the second Lord Thomson of Fleet, continued his father's policy of generosity and support for the paper, but had an attitude to the paper which was in some ways closer to that of the Astors than to his father's. His own main interests were, increasingly, in his home country of Canada, where he has greatly

expanded the business interests of the Thomson family both in newspapers, such as The Toronto Globe and Mail, and in the very major acquisition of control of The Hudson Bay Company. His attitude towards The Times was that of the honourable trustee. He had a great sense of responsibility towards the paper, but as we lurched from crisis to crisis, all springing from bad industrial relations, the burden of the responsibility became heavier and heavier. In the last four years, neither owning nor managing The Times has been much joy to him.

In 1976, it was already clear that The Times, with its massive setting requirement, needed to be brought on to the new electronic composing room equipment. This added to the stresses which already existed with the trade unions. The Times was substantially overmanned, as was The Sunday Times. Unless levels of manning could be reduced and the new technology brought in, the company would not operate at a profit and in most years was certain to make significant losses.

The relationship with the unions had become steadily worse and there were frequent disruptions of production, particularly on The Sunday Times. The attempt to negotiate a major set of reforms broke down in 1978 and was followed by nearly a year's suspension of both papers. Within a year of that suspension coming to an end, it had become apparent that so much damage had been done to the industrial relationships inside the business that it could not be put right under Thomson ownership. Kenneth Thomson's decision to sell the paper followed his recognition of that fact. It was a sad conclusion to a proprietorship to which The Times owes a great deal. It was a correct decision, but it was one made with great regret on both sides. The successful negotiations between Mr Murdoch and the unions have largely achieved what the Thomsons were not able to achieve between 1978 and 1980.

An act of courage

The first thing to be said about Mr Rupert Murdoch's ownership of The Times is that his decision to take on our problems was an act of considerable courage. He is now, as Roy Thomson was in 1967, the leading active proprietor in Fleet Street. There have been in this century, four men who have transformed Fleet Street by their ownership of newspapers. The other transformation, that achieved by the modern Daily Mirror, was the result not of individual ownership but of a combination of two or three remarkable men. The four most important proprietors have been Northcliffe, Beaverbrook, Roy Thomson and Rupert Murdoch and three of the four have lasted to this day. The challenge which lies ahead of Mr Murdoch which neither Northcliffe nor Roy Thomson, though they both made a great contribution to the development and continuity of the paper, managed to solve its commercial problems. If Mr Murdoch does resolve those problems, he will have achieved something which has defied the masters of his craft. Mr Murdoch stands somewhere

between Northcliffe and Roy Thomson in newspaper ownership. Northcliffe was an editorial genius who created great wealth through his newspapers but left most of the business management to his brother, the first Lord Rothermere. Roy Thomson was a business man. The first thing he would do with a newspaper was to count the columns of advertising. He had a strong sense of the need for the editorial side to be responsible, and of course he wanted it to be attractive, but he did not regard himself as in any way expert in the editorial field. Nor did he attach much importance to his personal views of public affairs. Rupert Murdoch comes from a newspaper family and has always involved himself in the editorial character as well as the commercial efficiency of his papers. Yet he is also very much an international business man, fascinated by the problems and opportunities of managing and financing a worldwide group of companies. He is neither as much the pure editorial newspaper man as Northcliffe, nor as much the pure commercial newspaper man as Roy Thomson. He is, however, very obviously a man in love with newspapers, a newspaper professional but even more a newspaper romantic.

Assurances of independence

The assurances of editorial independence which Mr Murdoch has given are very far reaching and there is no reason to doubt he will abide by them. There is also no doubt that he will want to make a contribution to raising the level of The Times and The Sunday Times as newspapers. There is always an opportunity for that. The task of a daily newspaper is by definition impossible. It is necessary, three hundred times in a year, to produce a complete and accurate, yet stimulating and interesting account of the previous day's news, accompanied by serious comment and opinion and by other elements of information and entertainment. Inevitably, newspapers have periods when they are operating less than perfectly in one area or another, just as a day in which the newspaper has been charged with energy and effectiveness may be followed by a day in which the news is rather dull and the sales fall against the mast.

There can never be too much thought put into a newspaper nor can there ever be too much energy put into a newspaper. It is essential that a proprietor should leave the ultimate independence and integrity of a newspaper to the Editor. A proprietor should, and Mr Murdoch will, leave it to the judgment of the Editor of The Times at the next election, whether to support any or none of the parties that put themselves forward. Nevertheless The Times is likely to benefit, and not only commercially from having new energies thrown into it. It is in that always a struggle to achieve an unattainable standard. Certainly the editorial staff look back with gratitude to the support the paper has had from the Thomson family as they still do to the Astors. They also look forward, with relief and eagerness, to the new proprietorship of Mr Murdoch, which they believe holds out great hope for the future of the paper.

Childbirth at home

From Dr S. J. Ware
Sir, I was surprised to read Dr Garrow's views (letter, February 2) supporting those who advocate more childbirths at home, and I would guess that the majority of paediatricians.

The question of home deliveries is a vexed one, and most obstetricians and paediatricians are bound to hold views different from those of patients. If the chances of an unexpected disaster at home leading to a brain-damaged infant, which could have been prevented in hospital, are, say, one in several thousand, the chances of a paediatrician's point of view is very small and may reasonably be disregarded by her.

To the paediatrician however, the one ever-present chance is an eventual certainty as he will have responsibility for thousands of newborn every year. The risk is hard to quantify, and will not be found among the available statistics, but most of us see such children in our clinics.

Clearly, "humanisation" of the maternity hospital process, as suggested by Mrs Short's committee, is the best compromise. Even such a momentous event as the birth of a new baby inevitably loses its thrill for staff who deal with it 10 or 15 times a day: many units are understaffed which may make it hard to apply the important personal touch. Nevertheless most of us are taking active steps to try and make our maternity departments less like sausage machines.

Perinatal services, particularly medicare, are not as comprehensive in some units as we would like them to be. But one has to balance the distress to the mother, separated from home and family at this most vulnerable time, often for a week or more in hospital, against the risk of preventable perinatal damage to the infant which, though rare, constitutes a life sentence for child and parents alike.

Yours faithfully,
JOHN GREEN,
J. B. Green (Crouch End) Ltd,
17 The Broadway,
Crouch End, N.4.
February 10.

Question of change in remand rule

From Lord Gardiner, CH.
Sir, Your editorial comment on the display by Paisley's mounted foot (February 7) correctly highlights the dangerous state of tension which now exists in Ulster as a result of the Prime Minister's refusal to elucidate what was agreed between himself and the Irish Prime Minister in the December summit meeting. Paisley's political career has been built by exploiting such fears in the unionist population of the province. In view of the actions of previous British governments, we have the right to be sceptical, but much more so when the Government is acting in collaboration with a man who came to power in his country on the back of the militant republicans in his party.

If political cooperation between British and Irish governments is going to lead to better security on our common land frontier it would be welcomed as much in Belfast as in London and Dublin. But we in Ulster are entitled to question the sincerity of the Dublin Government in implementing whatever new security agreements were made between our Prime Minister and Mr Lynch in September, 1979, and with Mr Haughey in December, 1980.

IRA terrorists still seem to escape with impunity into the Irish Republic; they still mount many of their operations from the Irish Republic; they still march with arms in the Irish Republic; they still do their training in the Irish Republic; and, at least, 50 known terrorists are "hiding-out" in the Irish Republic.

Of course there have been a few well-publicised arrests on the southern side of the border. But why is it so seldom that anyone is arrested in connexion with such finds? Is it the case that some of the finds have been old IRA stock, rather than anything new? Is it the case that anything new shown in the current campaign? The only way in which the Irish Government can show their sincerity is to agree to the extradition of terrorists found within their jurisdiction. The extra-territorial court method which they proposed in 1979 has been shown to be totally useless, as was predicted at the time.

What, then, were the undertakings extracted from the Prime Minister in return for the spurious promises from the Irish Government? For instance, did the Irish Government agree to the withdrawal of the SAS (Special Air Service Regiment) from the border areas in return for the Irish Government's agreement to a frontier air corridor? Was it not this air corridor, speculation in Ulster along these lines will continue so long as the Prime Minister refuses to be more frank in his dealings with the House of Commons.

Fears abound in Northern Ireland that the province is about to be betrayed. While this is so, speculation in Ulster along these lines will continue so long as the Prime Minister refuses to be more frank in his dealings with the House of Commons.

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THE TIMES

BUSINESS NEWS

Stock markets
FT Ind 490.0 up 3.7
FT Gilt 69.07 down 0.03

Sterling
\$2.3160 down 215 points
Index 104.3 up 0.1

Dollar
Index 100.3 up 0.9
DM 2.1815 up 338 pts

Gold
\$486.50 down \$14

Money
3 month sterling 13 1/2-13 3/4
3 month Euro \$ 18 1/2-17 1/2
6 month Euro \$ 18 1/2-17 1/2

Fraser statement on Lornrho bid today

Sir Hugh Fraser, former chairman of the House of Fraser, is expected to make his statement on Lornrho's 158m takeover bid for the company later today.

Under the City's code on takeovers, all directors of a company receiving a bid are required to make known their views. This is usually done in a collective statement, but the Fraser board is divided.

Although Sir Hugh was ousted as Fraser chairman a few weeks ago, he remains a director. He was working on the statement with his lawyers last night and, with the approval of the takeover panel, should release it this afternoon.

The Fraser Trusts, of which he is a trustee, hold about 3.5 per cent of Fraser shares and is the largest single holder after Lornrho, which now holds just under 30 per cent.

BNOC share offer

The Government is expected to offer to the public shares in the British National Oil Corporation and to issue about 500m of new bonds available over Post Office counters under a Bill to be introduced by Mr David Howell, the secretary of State for Energy.

Imperial profits down

Pretax profits of the Imperial group, the tobacco, drinks and confectionery conglomerate, slumped 15.4m to £12.9m in the year to October 31. But the group's sales added 2p to 81p yesterday on news of maintained dividends totalling 10.36p gross for the year.

Financial Editor, page 19

Foundry plea

A call to the British Steel Corporation to reconsider its decision to close the Distington Mould Foundry in Cumbria has been made in a report produced jointly by management and unions at the plant in the grounds that closure would cost the corporation as much as £6m more than keeping it open.

Generator order

CEC has won a £29m order to supply two 375-megawatt turbine generators to Calgary over in Canada. The company on the contract against competition from Japan, which applied the first generation of turbines to the Canadian group.

Fire costs up

Fire damage last year cost insurers an estimated £469.3m, an increase of almost a third over the previous year, according to British Insurance Association figures.

Steel output higher

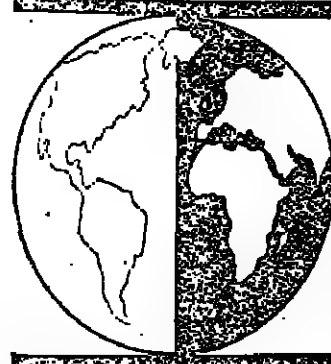
Crude steel production from public and private sectors rose by 5.5 per cent last month compared with December. The average weekly output was 35,300 tonnes.

Wall Street lower

The Dow Jones industrial average closed 5.89 points down at 3,366. The S&P 500 was 23.08. The £-S&P was 5.29656.

PRICE CHANGES

| list | | list | |
|----------------|-------------|----------------|-------------|
| Test Nicholson | 9p to 142p | Guthrie Corp | 50p to 712p |
| Dury Corp | 22p to 215p | Howard Machine | 3p to 27p |
| Expanded Metal | 6p to 55p | Lasmo | 15p to 639p |
| Therrell & H. | 14p to 142p | F. Pratt Eng | 20p to 30p |
| EC | 10p to 645p | UC Investments | 42p to 459p |



Reparation for British Ceylon shareholders

British, Sri Lankan and other shareholders of the British Ceylon Corporation, the biggest company in the coconut products industry, which with three subsidiary companies was nationalized on February 25, 1972, are now to receive compensation totalling 16.47 million rupees (£395,000).

The compensation includes the payment of interest which was decided on by the present United National Party Government and which amounts to 5.7m rupees (£136,700). To enable the payment of compensation, the corporation and its subsidiaries are to be placed in voluntary liquidation. At the time of nationalization, the company's chairman was the late Mr Robert Singleton-Salmon who had been the last British member of Sri Lanka's Parliament until 1970.

Slower price growth

Consumer price growth in the Western industrialized world slowed in December to a monthly rate of 0.7 per cent from 0.8 per cent in November and October and one per cent in September, the Organization for Economic Cooperation and Development said in Paris.

Indo-Soviet trade

The Soviet Union is likely to emerge as the largest buyer of Indian consumer and engineering goods in the next five years, under a trade agreement signed during President Leonid Brezhnev's recent visit to India.

Italy's reserves fall

Italy's net official reserves fell 3.5 per cent in December to \$59,569m (£25,787m) from \$61,706m (£26,712m) in November but were up from \$58,160m (£24,519m) the previous year.

Japan trade deficit

Japan's Customs-cleared trade balance turned into a deficit of \$2,480m (£1,050m) in January from a preliminary \$1,480m December surplus, but narrowed from a \$3,450m deficit a year earlier.

Report urges shift in public policy and aid from large companies

Helping hand for small businesses

A further shift in public policy in favour of small businesses, is one of the main recommendations of a report on the promotion of small business out yesterday. The report, commissioned by Shell UK from the Economists Advisory Group, compares measures in seven countries.

It says that UK public policy has been gradually shifting in favour of small businesses since 1971, when the committee of inquiry on small firms (the Bolton committee) reported. "But progress has been maddeningly slow," commented Mr Graham Bannock, the EAG's managing director and co-author of the report. "The scale and range of measures to promote small business in Britain is tiny compared with all the other countries studied."

Specific recommendations include the introduction of a state credit guarantee scheme. Another is that a proportion of North Sea revenues should be paid annually into an invested fund for the next 10 years.

The revenue from this fund, with capital and interest payments on loans made from it, should be loaned to small businesses at interest rates not more than those at which blue chip companies can borrow.

More could be done by large companies to promote small business, the report says. "Most activity is confined to only a small proportion of the 100 largest companies, and the nationalized industries (except British Steel) are conspicuous by their absence in this field."

Purchasing and sub-contracting, as well as hiring off unprofitable activities to small business, all offer practical scope, it says. For example, the Co-operative Wholesale Society has made a special effort to market local products from small companies with spectacular success.

In addition, small businesses could do more to help themselves. Mr Bannock said he regarded the chambers of commerce as an important channel where representation could be improved at national and local government level. However there was also a strong case for giving British chambers of commerce the same public law status and assured revenue that they enjoyed in several European countries, Mr Bannock said.

Apart from more apprenticeships, the best way of increasing industrial influence over education and training would be to involve the chambers of commerce more

deeply. Once public law status for the chambers was introduced, they could influence secondary education more.

"In continental Europe, it is they and not the universities, business schools or government agencies which control the brunt of post-school education." The report adds that training in small companies is almost completely neglected by public support services.

In Germany, Austria and Switzerland, about half of all leavers from compulsory schooling take apprenticeships, about 80 per cent of them in small companies. In Britain, only about 18 per cent of school leavers become apprentices.

"In Britain, business generally has insufficient influence over education. The result is that school leavers are ill-prepared for private sector employment and very few indeed are prepared for the possibility that they might work for themselves."

The Promotion of Small Business: a seven country study is published by Shell UK, PO Box 148, Shell Mex House, The Strand, London WC2R 0DX.

Patricia Tisdall
Management Correspondent

Wider role planned for BNO

By Our industrial staff

A much-expanded role for the British National Oil Corporation in the development of North Sea resources over the next decade has been forecast by Mr Malcolm Ford, head of development for the group.

BNO could be employing twice its present workforce before the 1980s are over, "given a reasonable share of new (exploration) blocks and reasonable freedom to invest by Government", Mr Ford said yesterday.

The corporation employs 1,930 people, of whom 950 are based in Glasgow, 780 in Aberdeen and 200 in its London office.

Mr Ford told a meeting of the Institute of Petroleum in Glasgow that the public failed to appreciate sometimes that BNO was not a government supervisory agency.

Mr Ford remarks come on the eve of a Bill to be introduced by Mr David Howell, the Secretary of State for Energy, allowing the public to invest directly in state-owned interests in the North Sea.

The Bill is expected to give the minister powers to offer shares in BNO and to issue a loan stock linked to those fields in which BNO has a stake. It is thought that the Government wants to issue some £500m worth of small denomination "revenue bonds" available over Post Office counters.

UK investment boosts Ireland's growth rate

By John Huxley

Despite world-wide recession and rising unemployment, the Irish Republic's drive for industrial growth resulted in record levels of job creation and manufacturing investment last year, it was claimed yesterday.

More than 2,000 jobs came from British companies.

New industrial projects approved by the Industrial Development Authority of Ireland (IDA) during 1980 would result in the creation of 35,600 jobs, Mr Patrick White, the new managing director, said.

Of these, 17,000 jobs will come from American, European and Japanese companies, while an estimated 2,000 will be with British companies entered into investing in the Irish Republic.

This is the highest number of jobs created by British companies in any year since the IDA opened its offices in London 10 years ago, and represents a fixed asset investment of 17m pounds (about £12.6m).

Commenting on the IDA's success with British industry, much of it in the services sector, Mr White said that the jobs target was "reasonably modest". He added that economic change was healthy for both countries.



Mr Patrick White: "Reasonably modest" jobs target.

market which was swelled by school-leavers.

Half of Ireland's population is under 25 and the Government has launched a massive job-creation programme. This year, the IDA aims to approve grant aid for projects that will create 30,000 jobs, the same target as for 1980.

The authority dismisses allegations that its incentives contravene Community law, but says they are "unmatched in Europe". They include a maximum tax rate of 10 per cent on manufacturing industry profits until the 21st century.

Single trade and industry body urged

By Peter Hill

Urgent reorganization of the Departments of Trade and Industry into a single department was called for last night in the interests of developing a coherent approach to a big part of the private business sector.

Mr Alan Lord, managing director of Dunlop Holdings, and formerly second permanent secretary at the Treasury, said in a lecture that he had never seemed sensible to separate the two departments particularly in a nation with a higher proportion of exports than almost any other.

Speaking on government and industry at the Royal Institute of Public Administration, he said that the two departments had previously operated as a single unit and although there had been organizational problems, by the mid-1970s the DTI was beginning to achieve considerable success.

"The harvest was there to be reaped, but it was never actually gathered in; and in my view the sooner the two departments are put back together the better."

There would no doubt be short-term costs from that reorganization and it might be that in the immediate future there would be relatively little change in the realities of life.

"But there would at least be then a single department with the framework for a coherent approach to a major part of the private business sector," he said.

New outlook for window frames of plastic

Leaders of the plastics processing industry have launched a campaign to win a greater share of the £1,600m a year market for window frames, dominated by timber and aluminium users.

The British Plastics Federation estimates that the installed value of windows (including the cost of labour and glass) is about £400m in home improvement alone. The value of windows in new buildings is worth far more, perhaps as much as £1,200m a year.

So far, the share taken by plastic frames is small—probably less than one per cent. In West Germany, by contrast, plastic accounts for almost half of window-frame sales.

Mr Alan Bell, chairman of the federation's newly-formed Plastics Windows Group, explained yesterday that the sales campaign would be directed primarily towards the "replacement" market at first, where it was hoped to increase to 10 per cent the share of plastic windows during 1981. This would mean increasing the value of installed windows to about £45m, of which the plastics extrusions would be worth about a quarter.

Last year, an estimated 5,000 to 6,000 tonnes of plastics were converted into window frames. The new group, which represents more than 40 manufacturing companies, hopes to have increased the volume to 20,000 tonnes a year by 1985.

Plastic frames are made mainly from PVC. Their supporters argue that they are more efficient insulators, reduce the likelihood of condensation, and, most important of all, perhaps, do not require painting, do not chip, flake, pit or rot.

Mr Bell, who is managing director of a plastics company which will alone spend £1m on consumer advertising this year, says that plastic window frames are price-competitive with aluminium products. Although they are more expensive than wooden frames they last much longer.

The plastics federation hopes that a British standard for plastic windows will be produced by the British Standards Institute later this year. If this proves difficult—and it did for aluminium windows—the federation has indicated that it will try to issue its own guidelines.

The move into the windows market marks a further initiative by the plastics industry to provide substitutes for more traditional products. In the construction industry this has already gone a long way and companies producing asbestos, clay and concrete alternatives have been on the defensive.

John Huxley

LETTERS TO THE EDITOR

Big rise in standing charges

From the Chairman of The British Association of Retired Persons
Sir, John Bray's letter January 29, and Gordon May's reply (February 9), have been of particular interest to us, as we have recently conducted an opinion poll of our thousands of members throughout the United Kingdom on the associated question of "standing charges" for gas, electricity and telephones.

From the overwhelming response which we received there is no doubt that while substantial increases in unit costs have been recently introduced, these are small compared with the rises in standing charges. These bear most heavily on small users and retired persons, who, while they try by strict economizing, to make a little reduction in the unit usage, find this totally negated by the huge increases in standing charges.

To take gas as an example, in my gas bill for April, 1980, the unit charge per therm (after the initial minimum charge) was 16.50p, while the standing charge was £2.16 per quarter. My latest gas bill in January 1981, shows the bulk consumption charge at 21.2p and £6 for the standing charge. This indicates an increase of no less than 28 per cent in the unit price, and incredibly of 170 per cent in the standing charge. And all in less than a year, too.

The standing charge cannot be avoided, however hard one may try to economize, and this huge increase is virtually highway robbery of the consumer. It is a totally unjustifiable added burden which bears most heavily on the small user, that is, the poor and needy, and the retired living on fixed or nearly-fixed small incomes.

Many British Association of Retired Persons (BARP) mem-

bers tell us that their standing charges are now considerably in excess of their cost of gas used. The excuse for rising gas prices was to restrict consumption of the "wasting asset" of North Sea gas, but big increases in standing charges cannot be justified on this score, nor can they be justified when the gas board's profits are so enormous. Similar increases in electricity and telephone bills are also appearing and the public seem to be at the mercy of the high-waysmen of nationalization. It is high time that the Government took urgent steps to put a stop to this robbery.

I am, Sir,
Yours truly,
IAN MACKENZIE,
Chairman,
The British Association of Retired Persons,
14 Frederick Street,
Edinburgh, EH2 2HB,
February 7.

Conversion rates when using credit cards

From Mr J. M. Lichtig

Sir, Mr S. Proctor (February 10) is correct when he suggests the use of an Access card rather than a Visa/Barclaycard overseas.

Travelling through Israel early last year, I used both cards, but all the transactions effected by me were paid for in United States dollars, as opposed to Israeli lira (as the currency was still called then).

The result? My Access statements correctly showed dollar transactions converted into pounds sterling, but with Visa/Barclaycard statements showed transactions in Israeli lira, converted into pounds sterling, without any reference to payments in dollars at all. An exchange of letters and a telephone call to the Barclaycard centre in Northampton revealed the following:

1. Transactions made outside the United Kingdom, and charged in the local currency are converted directly from that currency into sterling, for example: Switzerland—Swiss francs into sterling.

2. Transactions made outside the United Kingdom but charged in a currency other

than the local currency are converted into the local currency. However, the conversion into pounds sterling is based on the original currency paid, not the local one as converted, as I experienced.

3. All Barclaycard transactions made outside the United Kingdom are processed by Visa (of which Barclaycard is a member) in the United States of America, giving rise to the dollar conversion "in certain circumstances", as experienced by Mr A. F. Fell.

What these certain circumstances are, are not explained by Barclaycard and some clarification is obviously needed. I would be interested to know what would happen if one actually paid for goods or services abroad in pounds sterling. The result, of course, would be many conversions this would lead to; or would Visa/Barclaycard waive conversion in this case?

Yours faithfully,
JERROLD M. LICHTIG,
34 Southbourne Crescent,
Hendon,
London NW4 2JY,
February 11.

Difficult decisions on industrial training

From Mr R. Dini

Sir, It is apparent from the second reading of the Employment and Training Bill that Parliament is considering the proposed changes with a great deal of concern judging from your report of the proceedings on February 10. Even Mr Prior admits the conflicting views give a background that would make it difficult to decide what changes are necessary.

However, one cannot help but accept his or the Manpower Services Commission's thinking on the question of a review of the existing system in an attempt to anticipate the training requirements of the future, with or without the ITBs. A mistake now because of political attitudes could prove disastrous for the United Kingdom and one hopes that Mr Prior realizes this in his accepted responsibility in the matter of the final decision and that he will prove the Opposition speaker, Mr Harold Walker, wrong when he claims that the true origin of the Bill has been the Tory Party Centre for Policy Studies.

Most people would agree that future training must be effective to assist the changing role of thousands of people. However, the country and those seeking jobs just cannot afford a long time gap while politicians "play at party games". Review quickly the ITBs by all means: destroy them "No".

Yours faithfully,
R. DINI,
Managing Director,
Live Services Limited,
345a Station Road,
Harrow,
Middlesex HA1 2XP,
February 11.

New telephone kiosks

From Mr Graham Chainey
Sir, British Telecom have recently installed on a busy junction in Cambridge two of their new acrylic-shield open telephone kiosks, making the claim for them that they are more vandal-proof than traditional boxes, and more modern in appearance.

The thinking behind this seems to me confused. For one thing, in an open kiosk without door the apparatus would seem more vulnerable to the attention of passing vandals, no less than in a box with the standard resistant door. I suspect it more likely that they are designed to need less attention: having no floor, they can accumulate no litter.

Appreciating 'sea-kindly' ships

From Mr D. Laurent Giles
Sir, Hugh Whitwell's elegant verse (February 11) castigating my use of the expression "sea-kindly" raises wide implications.

Sea-kindly has been used by English seafarers since time immemorial to describe the behaviour of a ship or boat as moving gently in her natural element. ("OE" "sae" and "gecyndlic"). In my experience the expression was most notably used by the great "Bubbles" Smith of Lymington, one of the most lucid exponents of the essential qualities of different ships from Men o' War to the Lymington Pram. Indeed, in his case, the expression was often adapted to describe the behaviour of any craft, vessel or creature—and in an astounding variety of situations from his own fishing boat to the Mew Langton Beer Boat or even the serene progress of Mrs Alice Doe on her bicycle.

This delicious expression has nothing to do with the more mundane word "seaworthy" which simply implies mathematics and safety at sea and is of no philosophical consequence.

If Mr Whitwell still doubts me I would gladly take him to sea in my own little boat to illustrate the point.

DAVID GILES,
Thorncroft, Giles & Associates Ltd.,
The Embankment,
Bamford,
Isle of Wight PO35 5NS,
February 11.

Travelling first-class by Qantas

From Mr Ivor Hall

Sir, I recently travelled on a first-class ticket to Bahrain. My outward journey was with British Airways whose service I found to be very good. My return journey was intended to be with BA but unfortunately their flight was cancelled. I therefore transferred to Qantas.

Qantas were not prepared to accept my BA first-class ticket without the payment of a 10 per cent surcharge. I declined to pay this surcharge and instead travelled in their business class. I have since taken this up with Qantas, who I believe to be members of IATA, who advised me that their 10 per cent surcharge is for better service, cuisine, more space between seats, etc. and that the 10 per cent surcharge is for the 10 per cent surcharge and quoted me the same first-class fare for BA and Qantas.

Ivor Hall & Associates Limited,
34 Bisham Gardens,
London N6 6DD,
February 10.

Overseas mail charges

From Mr Laszlo Gombos

Sir, The Director of International Post Affairs has written to you (February 6) justifying increases in overseas mail rates and (of course, claims that these increases are more than justified). I submit that his presentation is not complete since he makes no allowance at all for the benefit arising from the higher value of the pound. In ordinary commercial accounting one would allow for lower costs—not only for increased costs—and perhaps if this normal method were to be followed, the service made more efficient and the administration lightened, we would not be faced in this and other public services with automatic increases whenever one cost element goes up.

Incidentally, can the Director tell us why the lower postage rates have been so drastically dropped? LASZLO GOMBOS, Garrick Club, London WC2E 9AY.

Calendar design

From Mr F. Ellis

Sir, Mr A. C. Jarrold (February 10) asks us how we like our calendars. I must prefer one single horizontal list for each month, from the first to the last day of the month with Sundays in red. The layout suits calendars with or without a pictorial element and is perfectly legible. Some calendars use the layout with great effect.

F. ELLIS,
39 Limes Road,
Folkestone,
Kent CT19 4AU.

The Times Awards 1980 Winners.

The winning entries for The Times Awards were those advertisements which, in the opinion of the judges, would leave the reader with the impression that the company would be a good one to do business with, to work for, or in which to invest. The advertisements were judged in terms of good use of typography, design and copy to convey the relevant information.

The task of the independent panel of judges was made particularly exacting by the number, range, and quality of entries from industry, commerce and finance.

The Grand Prix.

The Times is pleased to announce that the winner of the 1980 Grand Prix is:
Unilever Ltd.
Agency: Charles Barker CBCLtd.
Their entry was judged to be the advertisement that best conveyed, by way of typography, design and copy, information relevant to shareholders, professional advisers, prospective investors and all concerned in the company's well-being; in short, an advertisement that would leave the reader with the impression that the company would be a good one to do business with, to work for, or in which to invest.

Judges Special Awards.

Overseas Company
Creditanstalt-Bankverein
Agency: Charles Barker CBCLtd.
Smaller Advertisement
24x36 x 4 columns or less
Powell Duffryn Ltd.
Agency: Streets Financial Ltd.
Special Award
The most significant contribution to new imaginative thinking in financial advertising.
ICFC Ltd.
Agency: Doyle Dane Bernbach Ltd.

Category Winners.

Category 1a
Annual Results. Colour or mono. Half page or larger, or equivalent.

1st: Lonrho Ltd.
Agency: Walter Judd Ltd.
2nd: International Thomson Organisation Ltd.
Agency: Charles Barker CBCLtd.
3rd: Reckitt & Colman Ltd.
Agency: Dove Rogerson Ltd.

Category 1b
Annual Results. Colour or mono. Less than half a page or equivalent.

1st: Booker McConnell Ltd.
Agency: Valin Pollen Ltd.
2nd: London Trust Company Ltd.
Agency: Valin Pollen Ltd.
3rd: S & W Berisford Ltd.
Agency: Streets Financial Ltd.

Category 2
Interim Results. Colour or mono. All sizes.

1st: Consolidated Goldfields Ltd.
Agency: Charles Barker CBCLtd.
2nd: Pearson Longman Ltd.
Agency: Charles Barker CBCLtd.
3rd: Charterhouse Group Ltd.
Agency: Dove Rogerson Ltd.

Category 3
Interim Results. Colour or mono. All sizes.

1st: J Sainsbury Ltd.
Agency: Streets Financial Ltd.
2nd: C T Bowring and Co Ltd.
Agency: Walter Judd Ltd.
3rd: British Sugar Corporation
Agency: Charles Barker CBCLtd.

BY THE FINANCIAL EDITOR

Frank Vogl talks to the chairman of Exxon

Imperial's unfulfilled promise

The all too familiar tale from Imperial group after the fifth consecutive year of virtually static profits is one of immense untapped potential if only the right keys can be turned. But for the time being, Imperial looks like a group travelling nowhere quickly and the income stock stigma holds fast.

Pre-tax profits are down £15.4m at £26.9m and, allowing for an unexpected boost of £5m or so as a result of accountancy changes, are much in line with market forecasts. But the mainstay of the dividend is the shares 2p to 8p where a yield of 2.8 per cent explains a fully taxed p/e of 9.

Once again, the unfashionable tobacco interests have provided the mainstay lifting their trading surplus fractionally to £80.4m though fierce competition saw a sharp deterioration in the second-half, which hardly augurs well given most Budget expectations. Courage also raised its contribution from £4m to £42.4m, boosted by reconstruction of the Harp lager interests while the United States Howard Johnson purchase is remarkably well to turn in £13.3m for a half-year and to leave something over for financing costs of £11.5m.

But the continuing squeeze on egg and poultry prices in the United Kingdom has hit the foods surplus down by more than half to £10.3m, while paper, board and plastics losses widened to £3.3m in the face of heavy losses at the now closed Bristol mill.

For the current year, scope for the United Kingdom interests appear minimal with open riding on a sharp consumer spending turn in the second-half to offset a poor interim period. Ho-Jo may yet prove the buyer of the century but until Imperial completes a management studies it is not going to provide any fireworks.

Meanwhile, the balance sheet has come through the Ho-Jo purchase in fine shape, its gearing has jumped to close on 78 per cent but should settle back to nearer 65 per cent when Imperial cashes in its remaining 106m of gilts to satisfy most of the £141m uroddollar debt outstanding as a result of its deal and takes in asset revaluations.

Profits could work out at little more than last year's figures without significant United Kingdom recovery, but, as ever, the dividend looks reasonably sound although only 1.5 times covered historically and fractionally short on a CCA basis.

Dowty

Feeling the

NCB cutbacks

Dowty's shares have been under pressure in recent weeks, sandwiched between fears about the impact of the National Coal Board's cutbacks and hopes based on Dowty's booming aerospace business. The market had been paying most attention to a bearish argument about the surprisingly low interim figures, showing a £1.7m rise in profits to £19.1m pre-tax, sent the shares surging up 22p to 215p.

The mining division has indeed been suffering with volume down by over one fifth and profits by a third to £5.7m. There is been no replacement for the Chinese order, the NCB cutbacks have been hurting it there is every indication that worse is to come in the second half and possibly next year too. In fact, NCB ordering has been chopped by about two-fifths and Dowty is clearly hoping the Government will relent on cash limits.

In contrast, aerospace has seen volume rise as the Tornado hit full production and Argus have recovered after suffering from engineering strike last year. The result is a two-thirds rise in profits to £10.7m and this division is still going strong.

So with the small electronics division making progress and helping to offset the problems in the industrial division which is now bumping along the bottom, Dowty should still keep profits moving ahead during the recession and be able to cover its capital requirements from cash flow. Full-year profits should be about £39m, suggesting a more or less static second half overall, though because of the new stock relief the earnings per share will probably be down.

Assuming the final dividend rises by a sixth like the interim, the shares yield 3.3 per cent and the prospective p/e ratio is

about 15.1. With Dowty now in a quieter phase because of the problems in mining equipment the shares may not go far in the short-term but still look soundly based on a longer view.

Sugar

Organizing the home market

As if their nerves were not already stretched enough by the Monopolies and Mergers Commission enquiry into S. & W. Berisford's bid for British Sugar, shareholders in those companies and in Tate & Lyle now have to take into account Mr Peter Walker's thoughts on how the United Kingdom sugar market should be organized. The key is how much a reduction in the supply of sugar to the British market would diminish BSC's attractiveness.

Not for the first time, Mr Walker is suggesting a cut of 200,000 tonnes in Britain's EEC sugar quota, with the quite reasonable proviso that other countries' quotas are reduced too. This would lower allowable beet sugar production in Britain to about 1.15m tonnes, roughly BSC's current maximum output but 100,000 tonnes below its target.

BSC will fight tooth and nail to stop any thwarting of its ambitions, but a quota reduction would be a major problem for BSC. It is that five or six of its factories produce less than the 3,500 tonnes a day of sliced beet that is considered the economic minimum. Some of these factories are unprofitable, and a quota reduction could tip them over the edge. As it is, all of the company's £150m investment has been concentrated in six bigger factories.

Some market cynics in any case think that Mr Walker's ideas were only intended to throw a smokescreen around the closure of Tate's Liverpool refinery. That aside, it seems unlikely they will come to fruition. If the Monopolies and Mergers Commission rules against Berisford, BSC will be free to pursue its aggressive production and marketing campaign, which could mean further encroachments on Tate's territory, despite the latter's reckoning that the market is approximately in balance. If Berisford's bid proceeds, the company could find itself emeshed in the quota tangle, its loyalties divided between BSC and the cane producers and refiners.

British Steel Corporation's discussions with the bulk steel producers in the private sector have tended to overshadow the plight of smaller special steel groups trying to eke out a living from a decreasing number of customers.

Even though the results of BSC's talks with Dupont, Tube Investments, GKN and Radfield are unlikely to have any direct effect on the smaller groups, it is they who will have to live with the new market environment which emerges. Many, already on short time, have taken unpleasant measures to cut overheads. But the subsequent deterioration means that this year they may have to decide whether to remain in steel making.

Special steel is a highly fragmented business falling into three main areas, highly specialized alloy for aerospace, defence and nuclear industries; high speed and tool steel for hand tool and machine cutting; and stainless steel.

At the top of the alloy market Johnson & Firth Brown told shareholders this week that they had made a first-quarter loss but should make profits in the second half, with their optimism stemming from restocking orders from Rolls-Royce.

Aurora in high speed and tool steel has lost its acquisitive thirst, having rationalized Edgar Allen Balfour and Samuel Osborne just as the market dropped from beneath it. Neepsend, reporting soon for the half year, has already warned that the current year they will at best break even, it is probable that it has not made money on steel in the past five years.

The stock market has been nervous of steel stocks since GKN's results. Johnson, Aurora and Neepsend are all historically yielding well over 30 per cent. But yesterday's raid on F. Pratt, which stirred the engineering sector, demonstrated that this level of discounts to assets is liable to provoke a flurry of takeover activity.

Washington
Mr Clifton C. Garvin, Jr. started work 34 years ago at the age of 25 as a process engineer at an Exxon refinery in Louisiana. Today he is perhaps the most powerful industrialist in America. His views will not only influence the economic programme that President Reagan announces next Wednesday, but will be heard frequently in the White House over the next four years.

Mr Garvin is both chairman of Exxon, the world's largest industrial company in terms of sales volume, and head of the Business Roundtable, a select policy group which is the prime spokesman of big business's views in the United States.

Mr Garvin is cautiously optimistic about the economic policies of the United States, but he is concerned deeply about the precarious state of global oil supplies.

He says that the business community is confident that the Reagan Administration will come to grips with the fundamental problems of inflation and productivity.

"We just know instinctively that as a nation we are living beyond our means and spending more than we are able to generate and that our search for equity, as it were, among all the people in the country, may just have been taken too far."

Mr Garvin expects the new President to put forward policies that reduce public spending as a percentage of gross national product and provide incentives to boost savings and investment.

"We do not expect overnight miracles. It is going to take a considerable period of time for the nation to readjust from the way it has been going and we hope he will stand firm."

The Exxon chief says that the President's ability to hold fast and take the criticism that his programme of large spending cuts will involve (particularly as they will produce very little improvement in the economy's health this year) is going to be absolutely critical, but he is confident that Mr Reagan will be firm.



Mr Clifton C. Garvin, chairman of Exxon and head of the Business Roundtable, the influential body of top American industrialists: he is cautiously optimistic about the United States's economic policies.

What industry desperately needs from the Government, Mr Garvin says, is consistent policies. He hopes the Congress will adopt the Reagan Administration's approach of planning, tax and spending programmes on a full four-year basis.

"If such a long-term policy concept is adopted, then the private sector will really start to invest."

"I think there will be problems with the Congress, don't misunderstand me. But I sense that the mood of the Congress is 'Let us give him a crack at it'. I have a sort of sixth sense that he is going to get much of what he is asking for."

Business, Mr Garvin says, is encouraged by the lack of organized political opposition to the President's approach at present.

"I would be a more disappointed person if, mid-summer rolls along and a good bit of this (new economic programme) has not been put in place."

He says that it is clear that now there will be much closer compatibility of views between business and government and that cooperation will develop.

"I believe we need to change the pattern of the last 20 years, which has been one of confrontation."

He is not keen on the idea of an American "social contract", but says that there are broad policy areas where government, business and the trade unions should work together. He knows of no administration plans to develop such coordination.

"I do not suggest we change the normal relationship that exists in this country between management and labour. I think

it is a healthy one and personally I am not looking for change."

Mr Garvin hopes that this government will help to improve the general image of business in America. He laments that he does not know how the public view of oil companies can be improved. "You will find today that the oil industry is at the bottom of the list next to Congress in terms of the confidence people have. We are greatly disturbed by that and we do not know how to change the public perception of 225 million Americans."

Turning to energy policy, Mr Garvin says that he is somewhat surprised that President Reagan moved so fast to decontrol oil prices. He hopes that the Administration will now go on to decontrol natural gas prices.

Americans had surprised many people recently by conserving oil and the conservation effort was going to continue.

Mr Garvin is clearly worried about the oil outlook. How do you secure oil price moderation among the members of the Organization of Petroleum Exporting Countries?

Obviously United States policy towards the Middle East, and Israel is a factor with Arab oil exporters and, says Mr Garvin, as long as there is no real solution involving the Palestinians says Mr Garvin, the Organization of Petroleum Exporting Countries will use the situation as an excuse in their oil price-setting strategies.

It has never been clear though, Mr Garvin would wave a magic wand and solve all these political problems to everyone's satisfaction, that these oil problems would go away. We are dealing with finite reserves that are disappearing under a number of decades. The real difficulty that we have had has not been higher oil prices as such, but the rapidity of the price increases.

"You hope that the powerful Opec countries will see the wellbeing of the industrial world and the developing nations is in their own interest, too. They say they see this. But it depends upon what one views

as being harmful. "It has been my belief that those in Opec that think like this and see this also believe that they can make the judgment as to what the danger point is for the industrial world and what price rise gets the world into trouble. In all fairness we cannot even take that judgment ourselves in our own country."

Under present circumstances, every public planner must reckon with the distinct possibility of another oil price shock, another sudden sharp increase in prices. Mr Garvin's analysis at Exxon say that the minimum increase in 1981 will be equal to inflation. But the Iran-Iraq war, for example, has made matters desperately uncertain.

Mr Garvin explains that the supply and demand equation today suggests a shortage of one million barrels of oil a day. There is a shortage of supply. Now there is still an excess of working inventories of what we would guess at 300 to 400 million barrels in the free world. You can pull on that for almost a year at one million barrels a day.

"How did I get my one million barrels a day figures for the shortage? At the start of the Iran-Iraq war cut off about four million barrels of exports. Now the two together are exporting up to one million barrels a day as far as we can find out. The other Opec countries have gone up by maybe as much as one million barrels a day. Now we are producing in the North Sea and Mexico and places outside the Opec adding up to maybe another one million barrels in 1981."

"We can see a way through this year, but it does not leave any leeway for anything to happen, if the war intensifies, or they go at each other in a different way. It is too big a system to have that fine a balance. Ideally the system runs with 4 to 5 per cent spare. That is the way you save every one gets what the want. How many years we are going to see ahead with that sort of spare is something I wouldn't want to guess. I would guess not very many."

Technology

Using the laser as a scalpel

Surgeons are learning to use the laser beam with the same degree of skill as that with which they wield the scalpel. Lasers are now being used in America, Israel and Britain.

Ophthalmic surgery, gynaecology and even the removal of tattoos are all fields where they are making an impact.

Laser (light amplification by stimulated emission of radiation) is used to describe what happens to a molecule or ion of a substance (usually in a mixture of gases like helium, carbon dioxide, neon or argon, when it is excited by stimulating it with an electric charge or light from a lamp.

This excitation forces the molecules or ions of gas into an "unstable" state in which they are no longer stable. As they return to their previous state, packages or "photons" of light are emitted. These photons when concentrated together constitute a laser beam.

The surgeon is able, depending on the type of gas used in the laser and the power emitted, to use the tool either as a cutting edge or as a coagulator (blood thickener).

The surgical use of lasers dates back to the early sixties when guided light beams by an excited rod made from ruby stones were used as a coagulator. The rod, about 150mm long and 10mm in diameter, was excited by flashes of light from a xenon lamp or similar source.

As the technology of lasers progressed, artificial stones were used in place of the ruby. These lasers are used as coagulators during gastric surgery.

The light from the laser is passed down an optical telescope into the stomach to arrest gastric bleeding.

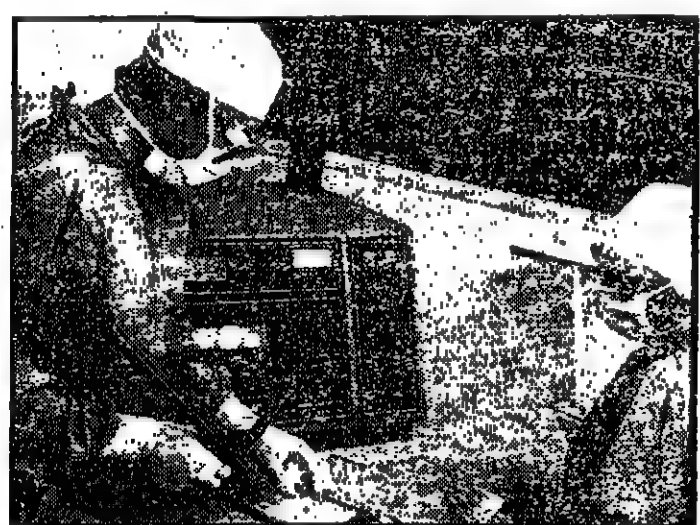
The other type of laser, mainly used as a cutting edge, is the carbon dioxide laser, which would typically be about one metre long and 5-10mm in diameter. The gas is excited by an electric current and can produce about 40 watts power. This laser is being used in Britain and America for surgical operations in gynaecology.

The surgical laser emits between 20 and 40 watts and has the beam focused on an area of about 0.5mm square. At each end of the laser rod (whether gas, fibre or of the ruby type) a mirror or other type of reflecting surface is attached, so that the light resulting from the chemical reaction in the tube can be concentrated into a beam.

In a gas laser the process begins by the gas, either carbon dioxide or a mixture of helium and neon or a mixture of helium and neon being excited electrically in an effect not dissimilar to that seen in an ordinary fluorescent light tube. As each gas molecule is excited and then later discharges its energy, a cascade reaction occurs along the entire length of the tube.

The mirrors focus the emitted packages of light along the axis of the tube into a beam which is emitted from one end of the tube.

A flexible lever similar to that used by a dentist is then attached to the laser allowing the light to be manipulated at the will of the surgeon.



A surgeon using a laser device in the operating theatre.

As a cutting tool a laser gives the surgeon fresh scope in exercising his skill.

The cells of the body are effectively small bags full of water. As the laser cuts the cells the water is raised from body temperature of 37 degrees to 100 degrees centigrade. The water then changes from water to steam at the same temperature.

The energy is provided by the laser.

The laser is a quite different tool from the scalpel and the surgeon must choose the type which will give him either a good cutting edge with the secondary effect as a coagulator, or vice versa.

Two recent examples illustrate how the laser is being

used to edge forward surgical techniques. The first was an operation conducted at the beginning of this year by Professor Ron Razin at the Royal Hospital in Tel-Aviv, when he performed a circumcision on a 15-year-old haemophilic boy.

The carbon dioxide laser was able to cut the skin while acting effectively as a coagulator to prevent uncontrollable bleeding.

Another surgical application which has highlighted some of the special characteristics of the carbon dioxide laser is in the removal of tattoos. Skin grafting or acid treatment in the past has been the normal method used.

Last year a London hospital opened a clinic for the removal of tattoos using a process similar to that for cell cutting. The skin is pierced by the laser and the ink of the tattoo is vaporised.

The laser's full potential has yet to be realized, but its usefulness in surgery has already been demonstrated by its modest though impressive performance to date.

Bill Johnstone

Business Diary: Men in the middle • Brandy snip

If the economic strategy of the Reagan administration seems confusing at times, do it be concerned it seems to be by design. One could suspect that this is part of a deep 'achievellian' approach to ensure that the press, public and Congress fail to gang up on the White House as the target of a moving.

Donald Reagan, the Treasury Secretary, laments that his job is increasingly becoming one of referee. On one side is his new Under-Secretary for Monetary Affairs, Dr. Berryl Prinkell, one of the most domestic true-blue monetarists ever to have entered the Treasury, and on the other side the Under-Secretary for Tax and Economic Affairs, Dr. Norman Ture, the advocate of supply-side economics.

But Reagan's problems are nothing compared to those faced by President Reagan in the lap of a former Treasury Secretary, George Shultz, president of the Bechtel company, who has just been named chairman of a special economic advisory board to the administration. The board members include Milton Friedman, whose monetarist views have never on much support from Dr. Arthur Laffer, whose supply-side theories are viewed with deep scepticism by Alan Greenspan, the former chairman of the council of economic advisers, is also on the board. There are such ardent ultra-conservative budget cutters as William Simon and Charles Walker, former Treasury Secretary and Deputy Secretary.



"If we can run the old Morris for another three years we should be able to replace it with a truly British Datsun."

George Turnbull, who announced the closure of Linwood on Wednesday must now be regretting the choice he made three and a half years ago when he turned down the chairmanship of BL to help build a motor industry in Iran. On his 15th birthday Turnbull signed indentures for a six-year engineering apprenticeship with Standard Motors, Coventry. When it became part of British Leyland he had agreed to become Standard's deputy chairman.

By 1973 he was managing director of the whole group, but within a few months he had a row with the then Sir Donald Stokes, the chairman, about a since discredited new centralized organization and walked out.

In the following year he surprised everyone by moving to South Korea to become vice-president of the Hyundai Motor Company. When his three-year contract expired he returned with an enhanced reputation to be

sitting in Michael Edwards's chair now."

With the Shah's position beginning to totter and his wife Marjane yearning for United Kingdom life again Turnbull quit in 1978. Within a few months he was back in the industry, this time as head of Peugeot's newly acquired Chrysler UK operations.

Britain's largest independent wine and spirits shipper, Matthew Clark, has just landed himself a notable success only to find the company swamped by rumour.

Martell, the cognac it has handled since the 1830s, may be the best selling brand in Britain, but until now it has not been number one with any of the major breweries.

No longer, since Bass, with more retail outlets than any other, has picked Martell to replace its former champion brand of Remy Martin. Unfortunately for Matthew Clark, the company has now found itself surrounded by rumours in the trade of an imminent takeover by the vast brewing firm.

"Absolutely untrue", said Matthew Clark, director, Sum Gordon Clark. "There is no question of Bass taking us over or that Bass might be taking the whole of the Martell agency. It's purely a business arrangement."

By clinching the Bass deal, Matthew Clark has opened up a new market just in time for what, in the slow-moving world of cognac, is something of a cataclysmic event.

Martell is about to abandon its familiar three star bottles in Britain for a more up-market

image. The result, a modern frosted bottle, will contain exactly the same cognac and be launched on an unsuspecting British public next week.

Lloyds Bank increased its maritime charter portfolio yesterday with the unusual addition of a craft which among other duties will act as an escort to the Royal Yacht Britannia.

In fact, it is likely to spend most of its time servicing navigational buoys and lights and providing accommodation for the annual coastal inspection of navigational aids by Trinity House.

Trinity House is chartering the vessel from Lloyds' equipment leasing subsidiary, in a deal which, the bank says, makes sense for both parties. On delivery it will join a fleet of 12-owned by Lloyds, including bulk carriers and specialized vessels such as the British Rail ferry MV St Anselm.

Match-makers Bryant & May, producers of the England's Glory series with jockey legends on the back, have revealed why the quips were becoming so boring.

A few years ago all the old printing plates of the jokes were destroyed, and the original stock of jokes were reduced to a mere 32. Then the company decided that it wanted some of the old jokes back again and appealed to philatelists, who have passed on boxes from their collections and restored about 6,000 of the old jokes. Example: "elephant to his first mouse: 'Aren't you little?' mouse, offended: 'I've been ill.' Ah, well..."

David Hewson

The Guinness Peat Group

Interim Statement for the year ending 30 April 1981

| | 9 months to 31 Dec 1980 | 9 months to 31 Dec 1979 | Year ended 30 April 1980 |
|---------------------------------|-------------------------|-------------------------|--------------------------|
| Turnover | 281,320 | 286,695 | 686,062 |
| sales, brokerage & fee income | | | |
| Trading Profits | 8,251 | 10,004 | 22,918 |
| less-central costs | 619 | 476 | 938 |
| -non-trading interest | 4,079 | 3,308 | 6,311 |
| Trading Profits before taxation | 3,553 | 6,220 | 15,669 |

EXTRACTS FROM CHAIRMAN'S INTERIM STATEMENT

- The Board have decided to declare an unchanged interim dividend of 2.75p net per share.
- The profits of Guinness Mehon & Co Ltd (not included above) are ahead of the corresponding period last year.
- Commodity broking and dealing, whilst not achieving the exceptional levels of the previous year, have continued to do well.
- There have been particular difficulties in some of our industrial and distribution activities serving the UK market, some of which have shown losses.
- The mix of successes and problems experienced by the Group is not surprising in this difficult year. But we have the strength inherent in the wide spread of our business.

Edmund Dell Chairman

Guinness Peat Group Limited

The above results are based on 31 March 1981. The results for the year ended 30 April 1981 are based on the audited accounts for the year ended 30 April 1981. The results for the year ended 30 April 1980 are based on the audited accounts for the year ended 30 April 1980. The results for the year ended 30 April 1979 are based on the audited accounts for the year ended 30 April 1979. The results for the year ended 30 April 1978 are based on the audited accounts for the year ended 30 April 1978. The results for the year ended 30 April 1977 are based on the audited accounts for the year ended 30 April 1977. The results for the year ended 30 April 1976 are based on the audited accounts for the year ended 30 April 1976. The results for the year ended 30 April 1975 are based on the audited accounts for the year ended 30 April 1975. The results for the year ended 30 April 1974 are based on the audited accounts for the year ended 30 April 1974. 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The results for the year ended 30 April 1925 are based on the audited accounts for the year ended 30 April 1925. The results for the year ended 30 April 19

Stock markets

Equities firm on talk of Government 'U-turn'

Equities remained in good form yesterday supported by selective buying among the institutions amid talk that the Government was showing signs of making a "U-turn".

Business picked up after a quiet start, with most sectors extending their positions on overnight levels.

But jobbers claimed that shortages of stock were producing exaggerated gains and creating volatile conditions.

Interest had been rekindled by a statement the previous evening by Mr Francis Pym, Minister in charge of co-ordinating the Government's communications, who admitted that conditions forced adjustments in timing and tactics.

While jobbers remained sceptical of a complete "U-turn" by the Government, most believed its approach was now becoming more flexible and this led to firmer conditions.

Nevertheless, most of the buying was again concentrated among the second-liners and recovery stocks, particularly among engineering, where dealers saw some active trade.

Dealers now believe that the current climate will ensure a warm reception for British Aerospace next Wednesday.

Speculative buying was another contributory factor, with many investors still banking on a cut in M.L.R. at 12.30 pm yesterday, despite earlier statements that they would have to wait until the Budget.

However, with M.L.R. unchanged, a certain amount of profit-taking was inevitable and this was reflected in the FT Index, which closed 3.7 higher at 490.0, having been 4.2 higher at 5 pm.

Gilt, as expected, marked

time in an indifferent market with the new tap Treasury, 12 per cent, 1986, making its debut at a discount of £1/16 over the opening price of £20. Investors have soaked up so much tap stock in recent weeks that an acute case of indigestion was overdue.

La longs, prices closed unchanged, having fluctuated in limits of around £3, while in shorts, the unchanged M.L.R. left minus signs averaging an £1.

Leading industrials experienced a firm session helped by full-year figures from Imperial Group where, despite recent speculation, the dividend was maintained and the shares rose 2p to 81p. Similar gains were seen in ICI at 294p, Beechams at 185p, Unilever at 453p, Distillers at 189p, and Dunlop at 65p. BOC International, with first-quarter figures out next week, hardened 2p to 119p.

Dividends in this table are shown net of tax on price per share. Elsewhere in Business News dividends are shown on a gross basis. To establish gross multiply the net dividend by 1.428. Profits are shown pretax and earnings are net. *Revenue after tax; †For 11 months; ‡Loss; §Adjusted for scrip issue.

Gilt, as expected, marked

while Glaxo hardened 4p to 268p and Fisons rallied 5p to 123p.

Lively business was recorded among engineering shares, particularly among second-liners, where F. Pratt leapt 20p to 90p.

Expect news early next week from Moss Engineering, whose shares have come up sharply from a 77p low to close yesterday 2p better at 97p. Word is that they have received an approach which could lead to an offer. The group reported firm worth of new business before Christmas.

following attempts at a "dawn raid" by brokers Capel Cure Myers. Selective interest also stimulated Spear and Jackson 5p to 90p, Expanded Metal 6p to 55p, Pegler-Hattersley 6p to 150p and Westland Aircraft 3p

to 131p, the latter following recent bullish remarks by the chairman. But disappointing interim figures left Walter Cook 3p down at 10p, while Dowty Group advanced 2p to 215p following its interim statement.

Among the majors, GKN climbed 4p to 150p, Tubes 2p to 186p, Vickers 3p to 152p, while Metal Box rose 6p to 186p on the back of a recent circular from brokers Laing and Cruickshank.

Selective buying in a thin market drew attention to stores. Borden hardened 3p to 109p on talk of a brokers' circular and GUS "A" advanced 5p to 490p, while Marks and Spencer closed unchanged at 124p—just 2p short of the "high" for the year. But speculative attention lifted Peters Stores another 6p to 126p.

The agreed bid terms from Hunting Gibson, in shipping,

left Stag Line 13p lower at 420p, but directed attention to such stocks as Common Brothers, 15p to 310p, Walter Runciman 11p to 140p and London and Overseas Freighters 1p to 39p.

Elsewhere, on the bid front, Robertson Foods jumped 7p to 161p awaiting developments in the approach from Avana Group, up 8p at 218p. But United Dairies Trust slipped 1p to 56p on news that Lloyds & Scottish was withdrawing from the race. Shares of Lloyds & Scottish expanded 6p to 154p.

The "big four" banks continued to rally on the back of a recent brokers' recommendation, but business was described as "squeaky". Barclays edged ahead 6p to 411p, National Westminster 6p to 381p and Midland 7p to 340p. Lloyds, which opens the reporting season next week, was 6p better at 381p.

In textiles, speculative attention was good for 14p rise in Fothergill and Harvey in 122p and 7p to 82p in Textured Jersey.

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§ Forward bargains are permitted on two previous days.

HIGH

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The wife said she came to Yorkshire but did not know about motorways. When it pointed out to her that a farm motorway, the M1, ran through the county, she replied: "Well I left there when I was young."

Peter Wayms

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